

Form 5500-SF Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Short Form Annual Return/Report of Small Employee Benefit Plan This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500-SF.	OMB Nos. 1210-0110 1210-0089 <div style="border: 1px solid black; text-align: center; padding: 5px; font-weight: bold; font-size: 1.2em;">2012</div> This Form is Open to Public Inspection
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Part I Annual Report Identification Information			
For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012			
A This return/report is for:	<input checked="" type="checkbox"/> a single-employer plan	<input type="checkbox"/> a multiple-employer plan (not multiemployer)	<input type="checkbox"/> a one-participant plan
B This return/report is:	<input type="checkbox"/> the first return/report	<input type="checkbox"/> the final return/report	
	<input type="checkbox"/> an amended return/report	<input type="checkbox"/> a short plan year return/report (less than 12 months)	
C Check box if filing under:	<input checked="" type="checkbox"/> Form 5558	<input type="checkbox"/> automatic extension	<input type="checkbox"/> DFVC program
	<input type="checkbox"/> special extension (enter description)		

Part II Basic Plan Information —enter all requested information			
1a Name of plan MICHAEL R. HASTINGS, P.S. DEFINED BENEFIT PENSION PLAN	1b Three-digit plan number (PN) ▶	001	
	1c Effective date of plan	01/01/2007	
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) MICHAEL R. HASTINGS, P.S. 718 N. FIFTH AVENUE SEQUIM, WA 98382	2b Employer Identification Number (EIN)	91-1747110	
	2c Sponsor's telephone number	360-681-0608	
	2d Business code (see instructions)	541110	
3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address	3b Administrator's EIN		
	3c Administrator's telephone number		
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN, and the plan number from the last return/report. a Sponsor's name	4b EIN		
	4c PN		
5a Total number of participants at the beginning of the plan year	5a	1	
b Total number of participants at the end of the plan year	5b	1	
c Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item)	5c		
6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
b Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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.	10/02/2013	MICHAEL HASTINGS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
Preparer's name (including firm name, if applicable) and address; include room or suite number (optional)			Preparer's telephone number (optional)

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	152396	151287
b Total plan liabilities	7b	0	0
c Net plan assets (subtract line 7b from line 7a)	7c	152396	151287
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)	5229	
(2) Participants	8a(2)	0	
(3) Others (including rollovers)	8a(3)	0	
b Other income (loss)	8b	-5639	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		-410
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	0	
e Certain deemed and/or corrective distributions (see instructions)	8e	0	
f Administrative service providers (salaries, fees, commissions)	8f	0	
g Other expenses	8g	699	
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		699
i Net income (loss) (subtract line 8h from line 8c)	8i		-1109
j Transfers to (from) the plan (see instructions)	8j	0	

Part IV Plan Characteristics

9a	If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: 1A 3D
b	If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions: 4B

Part V Compliance Questions

10	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? (See instructions and DOL's Voluntary Fiduciary Correction Program)		X	
b	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)		X	
c	Was the plan covered by a fidelity bond?	X		20000
d	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
e	Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service or other organization that provides some or all of the benefits under the plan? (See instructions.)		X	
f	Has the plan failed to provide any benefit when due under the plan?		X	
g	Did the plan have any participant loans? (If "Yes," enter amount as of year end.)		X	
h	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
i	If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3			

Part VI Pension Funding Compliance

11	Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and line 11a below)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
11a	Enter the amount from Schedule SB line 39	
12	Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? ..	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.)	
a	If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and enter the date of the letter ruling granting the waiver. Month _____ Day _____ Year _____	
If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.		
b	Enter the minimum required contribution for this plan year	

c Enter the amount contributed by the employer to the plan for this plan year.....	12c	
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)	12d	
e Will the minimum funding amount reported on line 12d be met by the funding deadline?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If "Yes," enter the amount of any plan assets that reverted to the employer this year	13a
b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
c 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.)	
13c(1) Name of plan(s):	13c(2) EIN(s)

Part VIII Trust Information (optional)

14a Name of trust	14b Trust's EIN

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>MICHAEL R. HASTINGS, P.S. DEFINED BENEFIT PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>MICHAEL R. HASTINGS, P.S.</u>	D Employer Identification Number (EIN) <u>91-1747110</u>
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	F Prior year plan size: <input checked="" type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500

Part I	Basic Information
1	Enter the valuation date: Month <u>12</u> Day <u>31</u> Year <u>2012</u>
2	Assets:
a	Market value 2a <u>146058</u>
b	Actuarial value 2b <u>146058</u>
3	Funding target/participant count breakdown:
a	For retired participants and beneficiaries receiving payment 3a <u>0</u> (1) Number of participants <u>0</u> (2) Funding Target <u>0</u>
b	For terminated vested participants 3b <u>0</u> <u>0</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>0</u>
(2)	Vested benefits 3c(2) <u>141891</u>
(3)	Total active 3c(3) <u>1</u> <u>141891</u>
d	Total 3d <u>1</u> <u>141891</u>
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) <input type="checkbox"/>
a	Funding target disregarding prescribed at-risk assumptions 4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 <u>6.85 %</u>
6	Target normal cost 6 <u>28378</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>09/30/2013</u> Date
<u>STEPHEN R. PARKS, MSPA</u> Signature of actuary	<u>11-04577</u> Most recent enrollment number
<u>THE SENEX GROUP</u> Type or print name of actuary	<u>818-593-3535</u> Telephone number (including area code)
<u>21021 VENTURA BLVD., SUITE 310</u> <u>WOODLAND HILLS, CA 91364</u> Firm name	
<u>Address of the firm</u>	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	48203
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	19582
9	Amount remaining (line 7 minus line 8)	0	28621
10	Interest on line 9 using prior year's actual return of <u>-3.07</u> %	0	-879
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b Interest on (a) using prior year's effective interest rate of <u>0.00</u> % except as otherwise provided (see instructions)		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	27742

Part III Funding Percentages			
14	Funding target attainment percentage	14	82.04 %
15	Adjusted funding target attainment percentage	15	88.33 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	91.03 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/30/2013	5229				
			Totals ►	18(b)	5229
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	5031
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
c If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 5.54%	2nd segment: 6.85%	3rd segment: 7.52 %	<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code).....				21b 2
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) <input checked="" type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	28378	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	25477	4935	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month <u>09</u> Day <u>27</u> Year <u>2013</u>) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	33313	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	28960	28960
36 Additional cash requirement (line 34 minus line 35)	36	4353	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	5031	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	678	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	678	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	<input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years		
b Eligible plan year(s) for which the election in line 41a was made	<input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

MICHAEL R. HASTINGS, P.S. DEFINED BENEFIT PENSION PLAN
EMPLOYER ID#: 91-1747110: PLAN NO. 001
PLAN YEAR ENDING: 12/31/2012

SCHEDULE SB, LINE 22 –DESCRIPTION OF WEIGHTED AVERAGE RETIREMENT AGE

The method for determining the Weighted Average Retirement Age is as follows:

A weighting factor is determined for each active participant by multiplying their assumed Retirement Age by the Present Value of their Accrued Benefit (PVAB). The sum of these factors is then divided by the sum of the PVAB's to determine the Weighted Average Retirement Age.

SCHEDULE SB, LINE 23 – MORTALITY FOR PPA FUNDING

The attached Statement of Actuarial Assumptions and Method incorrectly indicates that the Post-Retirement Mortality for PPA Funding is the Current-Year Applicable Mortality (unisex rates). In fact, the mortality table for this purpose is the Current-Year Optional Combined Mortality (sex-distinct rates) from IRS Notice 2008-85.

MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN

Shortfall Amortization
Plan Year: 1/1/2012 to 12/31/2012
Valuation Date: 12/31/2012

<u>Valuation Date</u>	<u>Amortization Method</u>	<u>Number of Future Installments</u>	<u>Installment</u>	<u>Value of Future Installments</u>
12/31/2011	7-year	6	\$5,356	\$27,959
12/31/2012	7-year	7	<u>\$(421)</u>	<u>\$(2,482)</u>
Total			\$4,935	\$25,477

MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN

Statement of Actuarial Assumptions and Method

Plan Year: 1/1/2012 to 12/31/2012

Valuation Date: 12/31/2012

		<u>For Funding</u>	<u>For 417(e)</u>	<u>For Actuarial Equiv.</u>
		<u>Min</u> <u>Max</u>		
Interest Rates	Seg 1	5.54% 1.72%	Seg 1 1.99%	Pre-Retirement 5.00%
	Seg 2	6.85% 4.58%	Seg 2 4.47%	Post-Retirement 5.00%
	Seg 3	7.52% 5.67%	Seg 3 5.26%	
Pre-Retirement				
Turnover	None		None	None
Mortality	None		None	None
Assumed Ret Age	Normal retirement age 65 and 5 years of participation		Normal retirement age 65 and 5 years of participation	Normal retirement age 65 and 5 years of participation
Future Insurance	Insurance is assumed to be carried at the current level until retirement			Not applicable
Post-Retirement				
Mortality	2012 Applicable Mortality Table from Rev Rul 2006-67		2012 Applicable Mortality Table from Rev Rul 2006-67	2012 Applicable Mortality Table from Rev Rul 2006-67
Assumed Benefit Form For Funding			Lump Sum	
Calculated Effective Interest Rate			6.85%	

An actuarial value of assets is used for funding purposes. This year the actuarial value of assets is 100.0% of the market value of assets.

MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN

Summary of Plan Provisions
Plan Year: 1/1/2012 to 12/31/2012
Valuation Date: 12/31/2012

Plan Effective Date	January 1, 2007
Plan Year	From January 1 to December 31
Eligibility	<p>All employees not excluded by class are eligible to enter on the January 1 or July 1 coincident with or following the completion of the following requirements:</p> <p>1 year of service Minimum age 21</p> <p>Union employees and non-resident aliens are excluded.</p>
Normal Retirement Age	<p>All participants are eligible to retire with their full retirement benefit on the later of the following:</p> <p>Attainment of age 65 Completion of 5 years of participation</p>
Normal Retirement Benefit	<p>Upon normal retirement each participant will be entitled to a benefit payable in the normal form equal to the following:</p> <p>145 percent of compensation</p> <p>with the benefit reduced proportionately for each year of service less than 25</p> <p>Credited years are plan years commencing with the year of entry and ending with the retirement year excluding the following:</p> <p>Years with less than 1,000 hours</p> <p>Maximum benefit is \$16,667 per month Maximum percent of salary is 100%</p> <p>Benefit is based on average salary during the highest 3 consecutive years of employment</p>
Normal Form of Benefit	A benefit payable for the life of the participant
Accrued Benefit	A fraction of the normal retirement benefit, calculated based on average salary on the calculation date. The numerator of the fraction is equal to the participant's credited years earned on the calculation date, and the denominator is equal to the participant's total projected credited years at normal retirement.

MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN

Summary of Plan Provisions
Plan Year: 1/1/2012 to 12/31/2012
Valuation Date: 12/31/2012

Credited years are plan years commencing with the year of entry and ending with the retirement year excluding the following:

Years with less than 1,000 hours

Termination Benefit

Upon termination for any reason other than death, disability or retirement a participant shall be entitled to a portion of the actuarial equivalent of his accrued benefit in accordance with the following vesting schedule:

Credited Years	Vested Percent
1	0
2	20
3	40
4	60
5	80
6	100

Credited years are plan years commencing with the year of hire and ending with the retirement year excluding the following:

Years before the effective date
Years with less than 1,000 hours

Top-Heavy Minimum Benefit

Each non-key participant will be entitled to a minimum accrued benefit equal to the following:

2 percent of average compensation times credited years

Credited years are plan years commencing with the year of entry and ending with the retirement year excluding the following:

Years before the effective date
Years with less than 1,000 hours
excluding years plan not top-heavy

with a maximum of 10 years

Benefit is based on average salary during the highest 5 consecutive years of employment

Top-Heavy Normal Form

A benefit payable for the life of the participant

MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN

Summary of Plan Provisions

Plan Year: 1/1/2012 to 12/31/2012

Valuation Date: 12/31/2012

Top-Heavy Status

A plan is top-heavy if over 60% of the value of all accrued benefits in all of the employer's plans are for the benefit of key employees. A key employee is generally an officer or owner of the company. This plan is currently top-heavy.

Death Benefit

Proceeds of any insurance policies on the life of the participant plus the actuarial reserves under a typical Individual Level Premium method less the cash value of such policies

Insurance

PACIFIC LIFE INSURANCE COMPANY FLEX XV BASIC
HIGH BAND--50 times theoretical reserves

MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN
Employer ID# 91-1747110: Plan No. 001

Quarterly Installment Payment: \$7,495.00

Schedule SB, line 19 - Discounted Employer Contributions

Valuation Date: December 31, 2012

Discounted Employer Contributions

<u>Date</u>	<u>Amount</u>	<u>Year</u>	<u>Rate</u>	<u>Adj Ctb</u>
07-30-2013	13.00	2012	11.85%/6.85%	12.20
	5,216.00	2012	6.85%	5,019.15
Totals:	5,229.00			5,031.34

Prefunding Balance Applied

<u>Date</u>	<u>Amount</u>	<u>Year</u>	<u>Rate</u>	<u>Adj Ctb</u>
03-01-2013	29,967.00	2012	11.85%/6.85%	28,959.54

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Michael R. Hastings, P.S. Defined Benefit Pension Plan	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Michael R. Hastings, P.S.	D Employer Identification Number (EIN) 91-1747110	
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	F Prior year plan size: <input checked="" type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input type="checkbox"/> More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>12</u> Day <u>31</u> Year <u>2012</u>			
2 Assets:			
a Market value	2a	146058	
b Actuarial value	2b	146058	
3 Funding target/participant count breakdown:			
	(1) Number of participants	(2) Funding Target	
a For retired participants and beneficiaries receiving payment.....	3a	0	0
b For terminated vested participants.....	3b	0	0
c For active participants:			
(1) Non-vested benefits.....	3c(1)		0
(2) Vested benefits.....	3c(2)		141891
(3) Total active	3c(3)	1	141891
d Total	3d	1	141891
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) <input type="checkbox"/>			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	6.85 %	
6 Target normal cost.....	6	28378	

Statement by Enrolled Actuary
 To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	 Signature of actuary Stephen R. Parks, MSPA Type or print name of actuary The Senex Group Firm name 21021 Ventura Blvd., Suite 310 Woodland Hills, CA 91364 Address of the firm	9/30/12 Date 11-04577 Most recent enrollment number (818) 593-3535 Telephone number (including area code)
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2012

Part II Beginning of Year Carryover Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	48203
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	19582
9 Amount remaining (line 7 minus line 8)	0	28621
10 Interest on line 9 using prior year's actual return of <u>-3.07 %</u>	0	-879
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b Interest on (a) using prior year's effective interest rate of <u>0.00 %</u> except as otherwise provided (see instructions)		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	0	27742

Part III Funding Percentages

14 Funding target attainment percentage	14	82.04 %
15 Adjusted funding target attainment percentage	15	88.33 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	91.03 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07-30-2013	5229				
Totals ►			18(b)	5229	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	5031

20 Quarterly contributions and liquidity shortfalls:**a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No**b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☒ No**c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:			
a Segment rates:	1st segment: 5.54 %	2nd segment: 6.85 %	3rd segment: 7.52 %
			<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code).....	21b		2
22 Weighted average retirement age	22		65
23 Mortality table(s) (see instructions)	<input checked="" type="checkbox"/> Prescribed - combined	<input type="checkbox"/> Prescribed - separate	<input type="checkbox"/> Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	28378	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	25477	4935	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	33313	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	28960	28960
36 Additional cash requirement (line 34 minus line 35)	36	4353	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	5031	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	678	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	678	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	<input type="checkbox"/> 2 plus 7 years	<input type="checkbox"/> 15 years	
b Eligible plan year(s) for which the election in line 41a was made	<input type="checkbox"/> 2008	<input type="checkbox"/> 2009	<input type="checkbox"/> 2010 <input type="checkbox"/> 2011
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

MICHAEL R. HASTINGS, P.S. DEFINED BENEFIT PENSION PLAN
EMPLOYER ID#: 91-1747110: PLAN NO. 001
PLAN YEAR ENDING: 12/31/2012

SCHEDULE SB, LINE 22 –DESCRIPTION OF WEIGHTED AVERAGE RETIREMENT AGE

The method for determining the Weighted Average Retirement Age is as follows:

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SCHEDULE SB, LINE 23 – MORTALITY FOR PPA FUNDING

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MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN

Shortfall Amortization
Plan Year: 1/1/2012 to 12/31/2012
Valuation Date: 12/31/2012

<u>Valuation Date</u>	<u>Amortization Method</u>	<u>Number of Future Installments</u>	<u>Installment</u>	<u>Value of Future Installments</u>
12/31/2011	7-year	6	\$5,356	\$27,959
12/31/2012	7-year	7	<u>\$(421)</u>	<u>\$(2,482)</u>
Total			\$4,935	\$25,477

MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN

Statement of Actuarial Assumptions and Method

Plan Year: 1/1/2012 to 12/31/2012

Valuation Date: 12/31/2012

		<u>For Funding</u>		<u>For 417(e)</u>	<u>For Actuarial Equiv.</u>
		<u>Min</u>	<u>Max</u>		
Interest Rates	Seg 1	5.54%	1.72%	Seg 1 1.99%	Pre-Retirement 5.00%
	Seg 2	6.85%	4.58%	Seg 2 4.47%	Post-Retirement 5.00%
	Seg 3	7.52%	5.67%	Seg 3 5.26%	
Pre-Retirement					
Turnover	None			None	None
Mortality	None			None	None
Assumed Ret Age	Normal retirement age 65 and 5 years of participation			Normal retirement age 65 and 5 years of participation	Normal retirement age 65 and 5 years of participation
Future Insurance	Insurance is assumed to be carried at the current level until retirement				Not applicable
Post-Retirement					
Mortality	2012 Applicable Mortality Table from Rev Rul 2006-67			2012 Applicable Mortality Table from Rev Rul 2006-67	2012 Applicable Mortality Table from Rev Rul 2006-67
Assumed Benefit Form For Funding				Lump Sum	
Calculated Effective Interest Rate				6.85%	

An actuarial value of assets is used for funding purposes. This year the actuarial value of assets is 100.0% of the market value of assets.

MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN

Summary of Plan Provisions
Plan Year: 1/1/2012 to 12/31/2012
Valuation Date: 12/31/2012

Plan Effective Date	January 1, 2007
Plan Year	From January 1 to December 31
Eligibility	<p>All employees not excluded by class are eligible to enter on the January 1 or July 1 coincident with or following the completion of the following requirements:</p> <p>1 year of service Minimum age 21</p> <p>Union employees and non-resident aliens are excluded.</p>
Normal Retirement Age	<p>All participants are eligible to retire with their full retirement benefit on the later of the following:</p> <p>Attainment of age 65 Completion of 5 years of participation</p>
Normal Retirement Benefit	<p>Upon normal retirement each participant will be entitled to a benefit payable in the normal form equal to the following:</p> <p>145 percent of compensation</p> <p>with the benefit reduced proportionately for each year of service less than 25</p> <p>Credited years are plan years commencing with the year of entry and ending with the retirement year excluding the following:</p> <p>Years with less than 1,000 hours</p> <p>Maximum benefit is \$16,667 per month Maximum percent of salary is 100%</p> <p>Benefit is based on average salary during the highest 3 consecutive years of employment</p>
Normal Form of Benefit	A benefit payable for the life of the participant
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MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN

Summary of Plan Provisions
Plan Year: 1/1/2012 to 12/31/2012
Valuation Date: 12/31/2012

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Years with less than 1,000 hours

Termination Benefit

Upon termination for any reason other than death, disability or retirement a participant shall be entitled to a portion of the actuarial equivalent of his accrued benefit in accordance with the following vesting schedule:

Credited Years	Vested Percent
1	0
2	20
3	40
4	60
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6	100

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Top-Heavy Minimum Benefit

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excluding years plan not top-heavy

with a maximum of 10 years

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Top-Heavy Normal Form

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MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN

Summary of Plan Provisions

Plan Year: 1/1/2012 to 12/31/2012

Valuation Date: 12/31/2012

Top-Heavy Status

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Death Benefit

Proceeds of any insurance policies on the life of the participant plus the actuarial reserves under a typical Individual Level Premium method less the cash value of such policies

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PACIFIC LIFE INSURANCE COMPANY FLEX XV BASIC
HIGH BAND--50 times theoretical reserves

MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN
Employer ID# 91-1747110: Plan No. 001
Quarterly Installment Payment: \$7,495.00

Schedule SB, line 19 - Discounted Employer Contributions

Valuation Date: December 31, 2012

Discounted Employer Contributions

<u>Date</u>	<u>Amount</u>	<u>Year</u>	<u>Rate</u>	<u>Adj Cth</u>
07-30-2013	13.00	2012	11.85%/6.85%	12.20
	5,216.00	2012	6.85%	5,019.15
Totals:	5,229.00			5,031.34

Prefunding Balance Applied

<u>Date</u>	<u>Amount</u>	<u>Year</u>	<u>Rate</u>	<u>Adj Cth</u>
03-01-2013	29,967.00	2012	11.85%/6.85%	28,959.54

MICHAEL R. HASTINGS, P.S. DEFINED BENEFIT PENSION PLAN
EMPLOYER ID#: 91-1747110: PLAN NO. 001
PLAN YEAR ENDING: 12/31/2012

SCHEDULE SB, LINE 22 –DESCRIPTION OF WEIGHTED AVERAGE RETIREMENT AGE

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MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN

Shortfall Amortization
Plan Year: 1/1/2012 to 12/31/2012
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12/31/2011	7-year	6	\$5,356	\$27,959
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MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN

Statement of Actuarial Assumptions and Method

Plan Year: 1/1/2012 to 12/31/2012

Valuation Date: 12/31/2012

		<u>For Funding</u>	<u>For 417(e)</u>	<u>For Actuarial Equiv.</u>
		<u>Min</u> <u>Max</u>		
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	Seg 2	6.85% 4.58%	Seg 2 4.47%	Post-Retirement 5.00%
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Pre-Retirement				
Turnover	None		None	None
Mortality	None		None	None
Assumed Ret Age	Normal retirement age 65 and 5 years of participation		Normal retirement age 65 and 5 years of participation	Normal retirement age 65 and 5 years of participation
Future Insurance	Insurance is assumed to be carried at the current level until retirement			Not applicable
Post-Retirement				
Mortality	2012 Applicable Mortality Table from Rev Rul 2006-67		2012 Applicable Mortality Table from Rev Rul 2006-67	2012 Applicable Mortality Table from Rev Rul 2006-67
Assumed Benefit Form For Funding			Lump Sum	
Calculated Effective Interest Rate			6.85%	

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MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN

Summary of Plan Provisions
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MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN

Summary of Plan Provisions

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MICHAEL R. HASTINGS, P.S.
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Employer ID# 91-1747110: Plan No. 001
Quarterly Installment Payment: \$7,495.00

Schedule SB, line 19 - Discounted Employer Contributions

Valuation Date: December 31, 2012

Discounted Employer Contributions

<u>Date</u>	<u>Amount</u>	<u>Year</u>	<u>Rate</u>	<u>Adj Ctb</u>
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	5,216.00	2012	6.85%	5,019.15
Totals:	5,229.00			5,031.34

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<u>Date</u>	<u>Amount</u>	<u>Year</u>	<u>Rate</u>	<u>Adj Ctb</u>
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MICHAEL R. HASTINGS, P.S. DEFINED BENEFIT PENSION PLAN
EMPLOYER ID#: 91-1747110: PLAN NO. 001
PLAN YEAR ENDING: 12/31/2012

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MICHAEL R. HASTINGS, P.S.
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Shortfall Amortization
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MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN

Statement of Actuarial Assumptions and Method

Plan Year: 1/1/2012 to 12/31/2012

Valuation Date: 12/31/2012

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	<u>Min</u>	<u>Max</u>		
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Mortality	2012 Applicable Mortality Table from Rev Rul 2006-67		2012 Applicable Mortality Table from Rev Rul 2006-67	2012 Applicable Mortality Table from Rev Rul 2006-67
Assumed Benefit Form For Funding			Lump Sum	
Calculated Effective Interest Rate			6.85%	

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Top-Heavy Normal Form

A benefit payable for the life of the participant

MICHAEL R. HASTINGS, P.S.
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Summary of Plan Provisions

Plan Year: 1/1/2012 to 12/31/2012

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Insurance

PACIFIC LIFE INSURANCE COMPANY FLEX XV BASIC
HIGH BAND--50 times theoretical reserves

MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN
Employer ID# 91-1747110: Plan No. 001
Quarterly Installment Payment: \$7,495.00

Schedule SB, line 19 - Discounted Employer Contributions

Valuation Date: December 31, 2012

Discounted Employer Contributions

<u>Date</u>	<u>Amount</u>	<u>Year</u>	<u>Rate</u>	<u>Adj Ctb</u>
07-30-2013	13.00	2012	11.85%/6.85%	12.20
	5,216.00	2012	6.85%	5,019.15
Totals:	5,229.00			5,031.34

Prefunding Balance Applied

<u>Date</u>	<u>Amount</u>	<u>Year</u>	<u>Rate</u>	<u>Adj Ctb</u>
03-01-2013	29,967.00	2012	11.85%/6.85%	28,959.54

MICHAEL R. HASTINGS, P.S. DEFINED BENEFIT PENSION PLAN
EMPLOYER ID#: 91-1747110: PLAN NO. 001
PLAN YEAR ENDING: 12/31/2012

SCHEDULE SB, LINE 22 –DESCRIPTION OF WEIGHTED AVERAGE RETIREMENT AGE

The method for determining the Weighted Average Retirement Age is as follows:

A weighting factor is determined for each active participant by multiplying their assumed Retirement Age by the Present Value of their Accrued Benefit (PVAB). The sum of these factors is then divided by the sum of the PVAB's to determine the Weighted Average Retirement Age.

SCHEDULE SB, LINE 23 – MORTALITY FOR PPA FUNDING

The attached Statement of Actuarial Assumptions and Method incorrectly indicates that the Post-Retirement Mortality for PPA Funding is the Current-Year Applicable Mortality (unisex rates). In fact, the mortality table for this purpose is the Current-Year Optional Combined Mortality (sex-distinct rates) from IRS Notice 2008-85.

MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN

Shortfall Amortization
Plan Year: 1/1/2012 to 12/31/2012
Valuation Date: 12/31/2012

<u>Valuation Date</u>	<u>Amortization Method</u>	<u>Number of Future Installments</u>	<u>Installment</u>	<u>Value of Future Installments</u>
12/31/2011	7-year	6	\$5,356	\$27,959
12/31/2012	7-year	7	<u>\$(421)</u>	<u>\$(2,482)</u>
Total			\$4,935	\$25,477

MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN

Statement of Actuarial Assumptions and Method

Plan Year: 1/1/2012 to 12/31/2012

Valuation Date: 12/31/2012

		<u>For Funding</u>	<u>For 417(e)</u>	<u>For Actuarial Equiv.</u>
		<u>Min</u> <u>Max</u>		
Interest Rates	Seg 1	5.54% 1.72%	Seg 1 1.99%	Pre-Retirement 5.00%
	Seg 2	6.85% 4.58%	Seg 2 4.47%	Post-Retirement 5.00%
	Seg 3	7.52% 5.67%	Seg 3 5.26%	
Pre-Retirement				
Turnover	None		None	None
Mortality	None		None	None
Assumed Ret Age	Normal retirement age 65 and 5 years of participation		Normal retirement age 65 and 5 years of participation	Normal retirement age 65 and 5 years of participation
Future Insurance	Insurance is assumed to be carried at the current level until retirement			Not applicable
Post-Retirement				
Mortality	2012 Applicable Mortality Table from Rev Rul 2006-67		2012 Applicable Mortality Table from Rev Rul 2006-67	2012 Applicable Mortality Table from Rev Rul 2006-67
Assumed Benefit Form For Funding			Lump Sum	
Calculated Effective Interest Rate			6.85%	

An actuarial value of assets is used for funding purposes. This year the actuarial value of assets is 100.0% of the market value of assets.

MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN

Summary of Plan Provisions
Plan Year: 1/1/2012 to 12/31/2012
Valuation Date: 12/31/2012

Plan Effective Date	January 1, 2007
Plan Year	From January 1 to December 31
Eligibility	<p>All employees not excluded by class are eligible to enter on the January 1 or July 1 coincident with or following the completion of the following requirements:</p> <p>1 year of service Minimum age 21</p> <p>Union employees and non-resident aliens are excluded.</p>
Normal Retirement Age	<p>All participants are eligible to retire with their full retirement benefit on the later of the following:</p> <p>Attainment of age 65 Completion of 5 years of participation</p>
Normal Retirement Benefit	<p>Upon normal retirement each participant will be entitled to a benefit payable in the normal form equal to the following:</p> <p>145 percent of compensation</p> <p>with the benefit reduced proportionately for each year of service less than 25</p> <p>Credited years are plan years commencing with the year of entry and ending with the retirement year excluding the following:</p> <p>Years with less than 1,000 hours</p> <p>Maximum benefit is \$16,667 per month Maximum percent of salary is 100%</p> <p>Benefit is based on average salary during the highest 3 consecutive years of employment</p>
Normal Form of Benefit	A benefit payable for the life of the participant
Accrued Benefit	A fraction of the normal retirement benefit, calculated based on average salary on the calculation date. The numerator of the fraction is equal to the participant's credited years earned on the calculation date, and the denominator is equal to the participant's total projected credited years at normal retirement.

MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN

Summary of Plan Provisions
Plan Year: 1/1/2012 to 12/31/2012
Valuation Date: 12/31/2012

Credited years are plan years commencing with the year of entry and ending with the retirement year excluding the following:

Years with less than 1,000 hours

Termination Benefit

Upon termination for any reason other than death, disability or retirement a participant shall be entitled to a portion of the actuarial equivalent of his accrued benefit in accordance with the following vesting schedule:

Credited Years	Vested Percent
1	0
2	20
3	40
4	60
5	80
6	100

Credited years are plan years commencing with the year of hire and ending with the retirement year excluding the following:

Years before the effective date
Years with less than 1,000 hours

Top-Heavy Minimum Benefit

Each non-key participant will be entitled to a minimum accrued benefit equal to the following:

2 percent of average compensation times credited years

Credited years are plan years commencing with the year of entry and ending with the retirement year excluding the following:

Years before the effective date
Years with less than 1,000 hours
excluding years plan not top-heavy

with a maximum of 10 years

Benefit is based on average salary during the highest 5 consecutive years of employment

Top-Heavy Normal Form

A benefit payable for the life of the participant

MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN

Summary of Plan Provisions

Plan Year: 1/1/2012 to 12/31/2012

Valuation Date: 12/31/2012

Top-Heavy Status

A plan is top-heavy if over 60% of the value of all accrued benefits in all of the employer's plans are for the benefit of key employees. A key employee is generally an officer or owner of the company. This plan is currently top-heavy.

Death Benefit

Proceeds of any insurance policies on the life of the participant plus the actuarial reserves under a typical Individual Level Premium method less the cash value of such policies

Insurance

PACIFIC LIFE INSURANCE COMPANY FLEX XV BASIC
HIGH BAND--50 times theoretical reserves

MICHAEL R. HASTINGS, P.S.
DEFINED BENEFIT PENSION PLAN
Employer ID# 91-1747110: Plan No. 001
Quarterly Installment Payment: \$7,495.00

Schedule SB, line 19 - Discounted Employer Contributions

Valuation Date: December 31, 2012

Discounted Employer Contributions

<u>Date</u>	<u>Amount</u>	<u>Year</u>	<u>Rate</u>	<u>Adj Ctb</u>
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