# 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
J & K PMS, INC 401K PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 01/01/2000

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

J & K PMS, INC

5601 BRIDGE STREET
FORT WORTH, TX 76112

**2b** Employer Identification Number (EIN)
75-2524137

**2c** Sponsor's telephone number
817-451-0015

**2d** Business code (see instructions)
524290

**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. | 10/04/2013 | BECKY KING |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/04/2013 | BECKY KING |
| | **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:

**a** Sponsor's name

**4b** EIN

**4c** PN

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 124 |
| **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** | 128 |
| **b** | Retired or separated participants receiving benefits | **6b** | 0 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 9 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 137 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 137 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 42 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 0 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2E 2F 2G 2J 2K 2T 3D

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

**9a** Plan funding arrangement (check all that apply)

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

**9b** Plan benefit arrangement (check all that apply)

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

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

**a Pension Schedules**

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

**b General Schedules**

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

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2012**<br>**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
J & K PMS, INC 401K PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
J & K PMS, INC

**D** Employer Identification Number (EIN)
75-2524137

## Part I Service Provider Information (see instructions)

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

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

ALLIANCEBERNSTEIN L.P.

13-4064930

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

ALLIANZ GLOBAL INVESTORS DISTRIBUTO
1345 AVENUE OF THE AMERICAS
NEW YORK, NY 10105

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

ALLIANZ GLOBAL INVESTORS DISTRIBUTO
1345 AVENUE OF THE AMERICAS
NEW YORK, NY 10105

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

DWS INVESTMENTS DISTRIBUTOR, INC.

36-3976708

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

FIDELITY DISTRIBUTORS CORP.

500 SALEM STREET
MAIL ZONE O3N
SMITHFIELD, RI 02917

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

FRANKLIN TEMPLETON DISTRIBUTORS, IN

100 FOUNTAIN PARKWAY
ST. PETERSBURG, FL 33716

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

FRED ALGER & COMPANY, INCORPORATED

13-2510833

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

JANUS DISTRIBUTORS, LLC

151 DETROIT STREET
DENVER, CO 80206

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

NEUBERGER BERMAN

605 THIRD AVENUE
3RD FLOOR
NEW YORK, NY 10158

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

OPPENHEIMER FUNDS INC.

13-2527171

**(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)

ADP

22-1467904

| (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? |
|---|---|---|---|---|---|---|
| 37 50 15 64 | RECORD KEEPER | 752 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [ ] No [X] |

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

STATE STREET CORPORATION

04-1867445

| (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? |
|---|---|---|---|---|---|---|
| 21 99 | DIRECTED TRUSTEE/CUSTODIA | 0 | Yes [X] No [ ] | Yes [X] No [ ] | 500 | Yes [ ] No [X] |

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

ADP BROKER-DEALER

22-3319984

| (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? |
|---|---|---|---|---|---|---|
| 60 59 63 49 99 | RECORD KEEPER | 0 | Yes [X] No [ ] | Yes [ ] No [X] | 0 | Yes [X] No [ ] |

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

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

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

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

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

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

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

## Part I Service Provider Information (continued)

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

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ADP BROKER-DEALER | 63 60 59 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| ALLIANCEBERNSTEIN L.P.<br><br>13-4064930 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ADP BROKER-DEALER | 63 60 59 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| ALLIANZ GLOBAL INVESTORS DISTRIBUTO 1345 AVENUE OF THE AMERICAS NEW YORK, NY 10105 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00200 OF AVERAGE DAILY ASSETS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ADP BROKER-DEALER | 63 60 59 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| ALLIANZ GLOBAL INVESTORS DISTRIBUTO 1345 AVENUE OF THE AMERICAS NEW YORK, NY 10105 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00200 OF AVERAGE DAILY ASSETS |

## 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 |
|---|---|---|
| ADP BROKER-DEALER | 60 59 63 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| DWS INVESTMENTS DISTRIBUTOR, INC.<br><br>36-3976708 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00350 OF AVERAGE DAILY ASSETS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ADP BROKER-DEALER | 63 60 59 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| FIDELITY DISTRIBUTORS CORP.<br>500 SALEM STREET<br>MAIL ZONE O3N<br>SMITHFIELD, RI 02917 | ANNUAL RATE 0.00500 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ADP BROKER-DEALER | 63 60 59 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| FRANKLIN TEMPLETON DISTRIBUTORS, IN<br>100 FOUNTAIN PARKWAY<br>ST. PETERSBURG, FL 33716 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00500 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS |

## 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 |
|---|---|---|
| ADP BROKER-DEALER | 60 59 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| FRED ALGER & COMPANY, INCORPORATED<br><br>13-2510833 | ANNUAL RATE 0.00500 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00500 OF AVERAGE DAILY ASSETS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ADP BROKER-DEALER | 63 60 59 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| JANUS DISTRIBUTORS, LLC<br>151 DETROIT STREET<br>DENVER, CO 80206 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ADP BROKER-DEALER | 63 60 59 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| NEUBERGER BERMAN<br>605 THIRD AVENUE<br>3RD FLOOR<br>NEW YORK, NY 10158 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00350 OF AVERAGE DAILY ASSETS |

## 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 |
|---|---|---|
| ADP BROKER-DEALER | 63 60 59 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| OPPENHEIMER FUNDS INC.<br><br>13-2527171 | ANNUAL RATE 0.00250 OF AVERAGE DAILY ASSETS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ADP BROKER-DEALER | 99 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| STATE STREET CORPORATION<br><br>04-1867445 | ANNUAL RATE 0.00780 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00780 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00870 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00670 OF AVERAGE DAILY ASSETS<br>ANNUAL RATE 0.00620 OF AVERAGE DAILY ASSETS |

| **(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 D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan Information

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

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

OMB No. 1210-0110

**2012**

**This Form is Open to Public Inspection.**

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

**A** Name of plan
J & K PMS, INC 401K PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
J & K PMS, INC

**D** Employer Identification Number (EIN)
75-2524137

**Part I** **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SSGA CASH SERIES U.S. GOVT

**b** Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST CO

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 04-0025081-000 | C | 0 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SSGA LIFE SOLUTIONS INC & GR

**b** Name of sponsor of entity listed in (a): STATE STREET BANK AND TRUST CO

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 04-0025081-053 | C | 0 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SSGA LIFE SOLUTIONS BALANCE GR

**b** Name of sponsor of entity listed in (a): STATE STREET BANK AND TRUST CO

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 04-0025081-055 | C | 0 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SSGA LIFE SOLUTIONS GROWTH

**b** Name of sponsor of entity listed in (a): STATE STREET BANK AND TRUST CO

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 04-0025081-056 | C | 0 |

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

**b** Name of sponsor of entity listed in (a): STATE STREET BANK AND TRUST CO

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 04-0025081-065 | C | 0 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SSGA RUSSELL SMALL CAP INDEX

**b** Name of sponsor of entity listed in (a): STATE STREET BANK AND TRUST CO

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 04-0025081-084 | C | 0 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SSGA S & P MIDCAP INDEX

**b** Name of sponsor of entity listed in (a): STATE STREET BANK AND TRUST CO

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 04-0025081-089 | C | 0 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SSGA CASH SERIES US GOVT L

**b** Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST CO

| **c** EIN-PN 90-0337987-000 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 19725 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SSGA RUSS SC IDX VIII

**b** Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST CO

| **c** EIN-PN 90-0337987-340 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 6241 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SSGA S & P 500 IDX IX

**b** Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST CO

| **c** EIN-PN 90-0337987-344 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 36847 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SSGA S & P MD CP IDX NL J

**b** Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST CO

| **c** EIN-PN 90-0337987-347 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8065 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SSGA CONS STR BAL SLS VII

**b** Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST CO

| **c** EIN-PN 90-0337987-384 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 12951 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SSGA MOD STR BAL SLS VII

**b** Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST CO

| **c** EIN-PN 90-0337987-385 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 30114 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SSGA AGG STR BAL SLS VII

**b** Name of sponsor of entity listed in (a): STATE STREET BANK & TRUST CO

| **c** EIN-PN 90-0337987-386 | **d** Entity code C | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8360 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

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

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

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Financial Information

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

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

OMB No. 1210-0110

**2012**

**This Form is Open to Public Inspection**

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

**A** Name of plan
J & K PMS, INC 401K PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
J & K PMS, INC

**D** Employer Identification Number (EIN)
75-2524137

## 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) | 12903 | 19725 |
| **(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) | 11947 | 9402 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 75158 | 102579 |
| **(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) | 107485 | 138878 |
| **(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 | 207493 | 270584 |
| **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 | 207493 | 270584 |

## 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) | 18980 | |
| **(B)** Participants | 2a(1)(B) | 38538 | |
| **(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) | | 57518 |
| **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) | 668 | |
| **(F)** Other | 2b(1)(F) | | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 668 |
| **(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) | 4796 | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 4796 |
| **(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) | | 10322 |
| (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) | | 9470 |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 82774 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 18768 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | | |
| (3) Other | 2e(3) | | |
| (4) Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 18768 |
| f Corrective distributions (see instructions) | 2f | | |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | 163 |
| 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) | 752 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 752 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 19683 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 63091 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

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

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

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

**(1)** Name: HINCKLEY COOK PC **(2)** EIN: 75-2799562

**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 | | 21000 |
| f | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| g | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| h | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| i | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| j | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | | X | |
| k | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| l | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| m | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| n | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | | |

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

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

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

## Part V Trust Information (optional)

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

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

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

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

OMB No. 1210-0110

**2012**

**This Form is Open to Public Inspection.**

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

**A** Name of plan
J & K PMS, INC 401K PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
J & K PMS, INC

**D** Employer Identification Number (EIN)
75-2524137

## Part I Distributions

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

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

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

EIN(s): 57-1198022

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

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

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

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

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

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

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

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

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

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

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

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

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

## Part III Amendments

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

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

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

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

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

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

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# J & K PMS, INC. 401(k) PLAN

**Financial Statements and Supplemental Schedule**
**December 31, 2012**
**(With Independent Auditor's Report Thereon)**

# J & K PMS, INC. 401(k) PLAN

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Note: All other supplemental schedules have been omitted because they are not applicable or are not required based on disclosure requirements of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended.

Hinckley Cook P.C.

Certified Public Accountants

# INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
J & K PMS, Inc. 401(k) Plan

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of J & K PMS, Inc. 401(k) Plan (Plan), which comprise the statements of net assets available for benefits as of December 31, 2012, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Basis for Disclaimer of Opinion**

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by State Street Bank and Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2012 and 2011, that the information provided to the Plan administrator by the trustee is complete and accurate.

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**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

**Other Matter**

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Assets (Held at End of Year), which is the responsibility of Plan management, is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedule referred to above.

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

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

Hinckley Cook P.C.

Arlington, Texas
September 18, 2013

## J & K PMS, INC. 401(k) PLAN

## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
## December 31, 2012 and 2011

| | 2012 | (Unaudited) 2011 |
|---|---|---|
| ASSETS | | |
| Investments at fair value: | | |
| Mutual funds | $ 138,878 | $ 107,485 |
| Common/Collective trusts | 102,579 | 75,158 |
| Money market fund | 19,725 | 12,903 |
| Total investments at fair value | 261,182 | 195,546 |
| Receivables: | | |
| Employer's contribution receivable | 989 | 675 |
| Participants' contributions receivable | 1,978 | 1,350 |
| Notes receivable from participants | 11,760 | 14,142 |
| Total receivables | 14,727 | 16,167 |
| NET ASSETS AVAILABLE FOR BENEFITS | $ 275,909 | $ 211,713 |

See accompanying notes to the financial statements.

## J & K PMS, INC. 401(k) PLAN

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
## Year Ended December 31, 2012

| | | |
|---|---|---|
| ADDITIONS TO NET ASSETS ATTRIBUTED TO: | | |
| Investment income: | | |
| Net appreciation in fair value of investments | $ | 19,792 |
| Dividends | | 4,796 |
| | | 24,588 |
| Interest income on notes receivable from participants | | 668 |
| Contributions: | | |
| Employer | | 19,294 |
| Participants | | 39,166 |
| | | 58,460 |
| TOTAL PLAN ADDITIONS | | 83,716 |
| DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO: | | |
| Benefits paid to participants | | 18,768 |
| Administration expenses | | 752 |
| TOTAL PLAN DEDUCTIONS | | 19,520 |
| NET INCREASE | | 64,196 |
| NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING | | 211,713 |
| NET ASSETS AVAILABLE FOR BENEFITS, ENDING | $ | 275,909 |

See accompanying notes to the financial statements.

## J & K PMS, INC. 401(k) PLAN

## NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF PLAN AND BASIS OF PRESENTATION

The following description of the J & K PMS, Inc. (Company) 401(k) Plan (Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

*a.* *General* - The Plan is a defined contribution plan covering all employees who have completed at least six consecutive months of service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

*b.* *Contributions* - Each year, participants may contribute a minimum of 1% up to the maximum of 17% of eligible pretax annual compensation, as defined in the Plan, or $17,000 in calendar year 2012. The Plan also permits participants who have attained or are expected to attain age 50 before the close of the calendar year to make catch-up contributions. Participants may also contribute amounts representing distributions of pre-tax contributions from other qualified plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers thirteen mutual funds, six common/collective trusts and a money market fund. The Company will make a matching contribution equal to fifty percent of the participant's pretax contribution up to six percent of eligible earnings. Participants must make an elective deferral in order to receive the matching contribution. The matching contribution is made each pay period that a participant makes an elective deferral.

*c.* *Participant Accounts* - Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and, (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

*d.* *Vesting* - Participants are immediately vested in their voluntary contributions and earnings thereon. Vesting in the remainder of their accounts is based on years of continuous service. A participant is 100 percent vested after five years of credited service.

*e.* *Payment of Benefits* - Upon termination of service, a participant may request a distribution of their vested account balance. On termination of service due to death, disability or retirement, a participant is entitled to the payment of their account. If a participant becomes disabled under the Plan while employed by the Company, the participant becomes 100% vested in their total account balance. Distribution requests are processed as soon as is administratively possible. All distributions from the Plan will be made in a single lump-sum payment. There were no amounts allocated to accounts of persons who at December 31, 2012 had elected to withdraw from the Plan but had not yet been paid.

1. DESCRIPTION OF PLAN AND BASIS OF PRESENTATION (continued)

*f.* *Notes Receivable from Participants* - Participants may borrow from their fund accounts a minimum of $500 up to a maximum of $50,000 reduced by the highest outstanding loan balance in the participant's account during the prior twelve month period or 50% of their account balance, whichever is less. The loans are secured by the vested balance in the participant's account. The loan interest rate is the prime rate as published in The Wall Street Journal on the 14th of each month plus two percentage points. Principal and interest is generally paid ratably within a five-year period through payroll deductions. Participants may only have one loan outstanding at any given time.

*g.* *Forfeited Accounts* - At December 31, 2012, forfeited non-vested accounts totaled $10. These accounts are used to reduce administrative fees and future employer contributions. In 2012, no employer contributions were reduced from forfeited non-vested accounts.

*h.* *Administrative Expenses* – The Company pays for recordkeeping fees of the Plan except for loan administrative expenses and other participant-requested service fees that are specifically deducted from individual participant's accounts.

*i.* *Plan Amendments* - Effective June 1, 2003, the Plan was amended and restated to reflect certain provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA").

*j.* *Plan Termination* - Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate at any time, subject to Plan provisions. Upon such termination of the Plan, the interest of each participant will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms, ERISA, and the Internal Revenue Code. In the event of the Plan termination, participants will become 100% vested in their accounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*a.* *Basis of Accounting* - The financial statements of the Plan are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

*b.* *Estimates* - The preparation of financial statements in conformity with generally accepted accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. *Investment Valuation and Income Recognition* - The Plan's investments are reported at fair value. Shares of publicly registered mutual funds are valued at quoted market prices in active markets, which represent the net asset value (NAV) of shares held by the Plan at year-end. Common collective trusts are valued at the NAV of the units provided by the fund issuer, which is used as a practical expedient for determining fair value. See note 5 for a discussion of fair value measurements.

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

Net appreciation or depreciation of investments is reported in the statement of changes in net assets available for benefits and consists of the realized gains or losses and the unrealized appreciation or depreciation on these investments bought and sold as well as held during the year. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

d. *Notes Receivable from Participants* - Loans to participants are reported at their unpaid principal balances plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based on the terms of the Plan document.

e. *Payment of Benefits* - Benefits are recorded when paid.

f. *Date of Management's Review* - Subsequent events were evaluated through September 18, 2013, which is the date the financial statements were available to be issued.

3. INVESTMENTS

The following presents the Plan's investments as of December 31, 2012 and 2011, with individual investments that represent 5% or more of the Plan's net assets separately identified:

| | December 31, | |
|---|---|---|
| | 2012 | 2011 |
| Money Market Fund: | | |
| SSGA Cash Series U.S. Gov't. | $ 19,725 | $ 12,903 |
| Mutual Funds: | | |
| Templeton Growth - R | 17,451 | 18,004 |
| Janus Overseas fund - S | 15,054 | 17,166 |
| PIMCO Total Return fund - A | 39,429 | 19,985 |
| Common/Collective Trusts: | | |
| SSGA Mod Str Bal Sls VII | 30,114 | - |
| SSGA S&P 500 Index | 36,847 | 26,657 |
| SSGA Life Solutions Bal G | - | 23,010 |
| Other investments less than 5% of Plan assets | 102,562 | 77,821 |
| | $ 261,182 | $ 195,546 |

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

| | |
|---|---|
| Common/Collective Trusts | $ 10,322 |
| Mutual Funds | 9,470 |
| Net Appreciation | $ 19,792 |

4. UNAUDITED INFORMATION CERTIFIED BY THE TRUSTEE

The Plan administrator elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, State Street Bank and Trust Company, the trustee, has certified that the following information included in the accompanying financial statements and supplemental schedule is complete and accurate:

- Investments, as reflected in the statements of net assets available for benefits as of December 31, 2012 and 2011;
- Investment activity, as reflected in the statement of changes in net assets available for benefits for the year ended December 31, 2012;
- Investment information disclosed in notes 3 and 5; and
- Investments, as reflected in schedule H, line 4i – schedule of assets (held at end of year) as of December 31, 2012.

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

5. FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of the different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 inputs were available to the Plan, and Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

5. FAIR VALUE MEASUREMENTS (continued)

Following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the methodology used at December 31, 2012 and 2011:

The three levels of inputs used to measure fair value are as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

- Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets; quoted prices for similar assets or liabilities in inactive markets; or other inputs that are observable or can be corroborated by observable market data.

- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use unobservable inputs.

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of reporting periods:

| | | Fair Value Measurements at Reporting Date Using: | | |
|---|---|---|---|---|
| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Observable Inputs Other Than Quoted Prices (Level 2) | Significant Unobservable Inputs (Level 3) |
| **December 31, 2012:** | | | | |
| Money market fund | $ 19,725 | $ - | $ 19,725 | $ - |
| Mutual funds: | | | | |
| Large cap equity funds | 59,585 | 59,585 | - | - |
| Mid cap equity funds | 6,201 | 6,201 | - | - |
| Small cap equity funds | 15,851 | 15,851 | - | - |
| Fixed income funds | 42,187 | 42,187 | - | - |
| International equity funds | 15,054 | 15,054 | - | - |
| Common/collective trusts: | | | | |
| Risk based lifestyle funds | 51,426 | - | 51,426 | - |
| Large cap equity funds | 36,847 | - | 36,847 | - |
| Mid cap equity funds | 8,065 | - | 8,065 | - |
| Small cap equity funds | 6,241 | - | 6,241 | - |
| Total investments at fair value | $ 261,182 | $ 138,878 | $ 122,304 | $ - |

5. FAIR VALUE MEASUREMENTS (continued)

| | Fair Value | Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1) | Observable Inputs Other Than Quoted Prices (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| **December 31, 2011:** | | | | |
| Money market fund | $ 12,903 | $ - | $ 12,903 | $ - |
| Mutual funds: | | | | |
| Large cap equity funds | 53,225 | 53,225 | - | - |
| Mid cap equity funds | 3,604 | 3,604 | - | - |
| Small cap equity funds | 11,470 | 11,470 | - | - |
| Fixed income funds | 22,020 | 22,020 | - | - |
| International equity funds | 17,166 | 17,166 | - | - |
| Common/collective trusts: | | | | |
| Risk based lifestyle funds | 36,531 | - | 36,531 | - |
| Large cap equity funds | 26,657 | - | 26,657 | - |
| Mid cap equity funds | 5,928 | - | 5,928 | - |
| Small cap equity funds | 6,042 | - | 6,042 | - |
| Total investments at fair value | $ 195,546 | $ 107,485 | $ 88,061 | $ - |

6. RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

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

| | 2012 | (Unaudited) 2011 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 275,909 | $ 211,713 |
| Less: Employer's contribution receivable | 989 | 675 |
| Less: Participants' contributions receivable | 1,978 | 1,350 |
| Less: Deemed loan distributions | 2,358 | 2,195 |
| Net assets available for benefits per Schedule H to the Form 5500 | $ 270,584 | $ 207,493 |

The following is a reconciliation of notes receivable from participants per the financial statements at December 31, 2012 and 2011 to Schedule H of Form 5500:

| | 2012 | (Unaudited) 2011 |
|---|---|---|
| Notes receivable from participants per the financial statements | $ 11,760 | $ 14,142 |
| Less: Deemed loan distributions | 2,358 | 2,195 |
| Participant loans per Schedule H of Form 5500 | $ 9,402 | $ 11,947 |

7. TAX STATUS

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

The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2009.

8. RELATED PARTY TRANSACTIONS

Certain Plan investments are units of common/collective trusts managed by State Street Global Advisors (SSGA). SSGA is the investment management division of State Street Bank and Trust Company, the trustee and custodian as defined by the Plan and, therefore, these qualify as party-in-interest transactions.

Fees paid by the Plan to ADP Retirement Systems for administration services amounted to $752 for the year ended December 31, 2012.

The sponsor of the Plan made payments of approximately $4,800 during 2012 for administrative fees that will not be reimbursed by the Plan. Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

All of these party-in-interest transactions are exempt from the prohibited transaction rules of ERISA.

9. RISKS AND UNCERTAINTIES

The Plan provides for various investment options in any combination of money market, common/collective trusts and equity mutual funds. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes may materially affect participants' account balances and the amounts reported in the statement of net assets available for Plan benefits.

10. PLAN TERMINATION

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

11. SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through September 18, 2013, the date the financial statements were available to be issued.

Supplemental Schedule

**J & K PMS, INC. 401(k) PLAN**
**EIN: 48-1172403**
**PLAN: 001**

## SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
**December 31, 2012**

| (a) | (b) IDENTITY OF ISSUE, BORROWER, LESSOR OR SIMILAR PARTY | (c) DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE, RATE OF INTEREST, COLLATERAL, PAR OR MATURITY VALUE | (d) COST | (e) CURRENT VALUE |
|---|---|---|---|---|
| | Alliance Growth and Inc. - A | Registered Investment Company | - | $ 5,876 |
| | Alger Small Cap Growth Instl. - I | Registered Investment Company | - | 8,180 |
| | DWS Large Cap Value Fund - A | Registered Investment Company | - | 1,935 |
| | Fidelity Adv Equity Growth - T | Registered Investment Company | - | 11,533 |
| | Alger Mid Cap Growth Instl - I | Registered Investment Company | - | 6,201 |
| | Oppenheimer Capital Apprec. - A | Registered Investment Company | - | 5,458 |
| | Pimco Total Return Fund - A | Registered Investment Company | - | 39,429 |
| | Alliance NFJ Smallcap Value A | Registered Investment Company | - | 7,671 |
| | Neuberger Berman Lgcap Val Adv | Registered Investment Company | - | 13,399 |
| | Franklin Rising Dividends - A | Registered Investment Company | - | 3,932 |
| | Templeton Growth - R | Registered Investment Company | - | 17,451 |
| | Janus Overseas Fund - S | Registered Investment Company | - | 15,054 |
| | DWS Global High Income S | Registered Investment Company | - | 2,758 |
| * | SSGA Cash Series US Gov't L | Common/Collective Trust | - | 19,725 |
| * | SSGA Russ SC IDX VIII | Common/Collective Trust | - | 6,241 |
| * | SSGA S&P 500 IDX IX | Common/Collective Trust | - | 36,847 |
| * | SSGA S&P MD CP IDX NL J | Common/Collective Trust | - | 8,065 |
| * | SSGA Cons Str Bal SLS VII | Common/Collective Trust | - | 12,951 |
| * | SSGA Mod Str Bal SLS VII | Common/Collective Trust | - | 30,114 |
| * | SSGA AGG Str Bal SLS VII | Common/Collective Trust | - | 8,360 |
| * | Participant Loans | Range of Interest Rates<br>Rates Range from 5.25% - 9.25% | - | 9,402 |

The above information has been certified by State Street Bank and Trust Company, the trustee, as complete and accurate.

See accompanying independent auditor's report.

Schedule C, Line 2(h) Formula Description

*For those service providers listed on Line 2 for which Line 2(h) has been checked "yes":*

For a description of indirect compensation received by service providers listed on Line 2 that was disclosed as a formula, please see Line 3(e). Please note: If indirect compensation disclosed as a formula was received by a service provider from more than one source, there will be multiple Lines 3(e) for that service provider.

**Attachment to 2012 Form 5500**
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**Plan Name** J & K PMS, INC 401K PLAN **EIN:** 75-2524137
**Plan Sponsor's Name** J & K PMS, INC **PN:** 001

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. | (d) Cost | (e) Current value |
|---|---|---|---|---|
| | ALLIANCEBER GROWTH AND INC - A | REGISTERED INVESTMENT COMPANY | | 5,876 |
| | ALGER SMALL CAP GROWTH INSTL-I | REGISTERED INVESTMENT COMPANY | | 8,180 |
| | DWS LARGE CAP VALUE FUND-A | REGISTERED INVESTMENT COMPANY | | 1,935 |
| | FIDELITY ADV EQUITY GROWTH - T | REGISTERED INVESTMENT COMPANY | | 11,533 |
| | ALGER MID CAP GROWTH INSTL - I | REGISTERED INVESTMENT COMPANY | | 6,201 |
| | OPPENHEIMER CAPITAL APPREC - A | REGISTERED INVESTMENT COMPANY | | 5,458 |
| | PIMCO TOTAL RETURN FUND - A | REGISTERED INVESTMENT COMPANY | | 39,429 |

**Attachment to 2012 Form 5500**
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**Plan Name** J & K PMS, INC 401K PLAN **EIN:** 75-2524137
**Plan Sponsor's Name** J & K PMS, INC **PN:** 001

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. | (d) Cost | (e) Current value |
|---|---|---|---|---|
| | ALLIANZGI NFJ SMALLCAP VALUE A | REGISTERED INVESTMENT COMPANY | | 7,671 |
| | NEUBERGER BERMAN LGCAP VAL ADV | REGISTERED INVESTMENT COMPANY | | 13,399 |
| | FRANKLIN RISING DIVIDENDS - A | REGISTERED INVESTMENT COMPANY | | 3,932 |
| | TEMPLETON GROWTH - R | REGISTERED INVESTMENT COMPANY | | 17,451 |
| | JANUS OVERSEAS FUND - S | REGISTERED INVESTMENT COMPANY | | 15,054 |
| | DWS GLOBAL HIGH INCOME S | REGISTERED INVESTMENT COMPANY | | 2,758 |
| | PARTICIPANT LOANS | INTEREST RATES ( 5.25% TO 9.25%) | | 9,402 |

**Attachment to 2012 Form 5500**
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**Plan Name** J & K PMS, INC 401K PLAN **EIN:** 75-2524137
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|---|---|---|---|---|
| | SSGA CASH SERIES US GOVT L | COMMON/COLLECTIVE TRUST | | 19,725 |
| | SSGA RUSS SC IDX VIII | COMMON/COLLECTIVE TRUST | | 6,241 |
| | SSGA S & P 500 IDX IX | COMMON/COLLECTIVE TRUST | | 36,847 |
| | SSGA S & P MD CP IDX NL J | COMMON/COLLECTIVE TRUST | | 8,065 |
| | SSGA CONS STR BAL SLS VII | COMMON/COLLECTIVE TRUST | | 12,951 |
| | SSGA MOD STR BAL SLS VII | COMMON/COLLECTIVE TRUST | | 30,114 |
| | SSGA AGG STR BAL SLS VII | COMMON/COLLECTIVE TRUST | | 8,360 |