

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2012 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>DRC DEFINED BENEFIT PENSION PLAN</u>	1b Three-digit plan number (PN) ► <u>002</u> 1c Effective date of plan <u>01/01/1980</u>
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>DYNAMICS RESEARCH CORPORATION</u> <u>2 TECH DRIVE</u> <u>ANDOVER, MA 01810</u>	2b Employer Identification Number (EIN) <u>04-2211809</u> 2c Sponsor's telephone number <u>978-289-1675</u> 2d Business code (see instructions) <u>541990</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/07/2013</u>	<u>MARY GRZESIK, RETIREMENT PLANS MGR.</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/07/2013</u>	<u>JENNIFER PARE, DIRECTOR OF BENEFITS</u>
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
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 1691
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	143
b Retired or separated participants receiving benefits.....	6b	644
c Other retired or separated participants entitled to future benefits.....	6c	784
d Subtotal. Add lines 6a , 6b , and 6c	6d	1571
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	108
f Total. Add lines 6d and 6e	6f	1679
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	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: 1G 1I		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE 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>DRC DEFINED BENEFIT PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>DYNAMICS RESEARCH CORPORATION</u>	D Employer Identification Number (EIN) <u>04-2211809</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2012</u>
2	Assets:
a	Market value 2a <u>62005436</u>
b	Actuarial value 2b <u>64514961</u>
3	Funding target/participant count breakdown:
a	For retired participants and beneficiaries receiving payment 3a <u>684</u> <u>44194441</u>
b	For terminated vested participants 3b <u>834</u> <u>30643578</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>32779</u>
(2)	Vested benefits 3c(2) <u>5771854</u>
(3)	Total active 3c(3) <u>174</u> <u>5804633</u>
d	Total 3d <u>1692</u> <u>80642652</u>
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐
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>5.46 %</u>
6	Target normal cost 6 <u>62128</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>09/24/2013</u>
Signature of actuary	Date
<u>NICOLE J. DEVOE</u>	<u>11-06880</u>
Type or print name of actuary	Most recent enrollment number
<u>TOWERS WATSON DELAWARE INC.</u>	<u>617-638-3690</u>
Firm name	Telephone number (including area code)
<u>800 BOYLSTON STREET</u> <u>PRUDENTIAL TOWER</u> <u>BOSTON, MA 02199-8103</u>	
Address of the firm	

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
v. 120126

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	1273263
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	1273263
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>-1.57</u> %		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		1761695
b	Interest on (a) using prior year's effective interest rate of <u>6.26</u> % except as otherwise provided (see instructions)		10586
c	Total available at beginning of current plan year to add to prefunding balance		1772281
d	Portion of (c) to be added to prefunding balance		
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	0

Part III Funding Percentages			
14	Funding target attainment percentage	14	80.00 %
15	Adjusted funding target attainment percentage	15	80.00 %
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	80.01 %
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
04/16/2012	674000				
07/13/2012	674000				
10/15/2012	674000				
01/15/2013	674000				
09/12/2013	634000				
			Totals ►	18(b)	3330000 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	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	3182021
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
0		0 0

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

21 Discount rate:				
a Segment rates:	1st segment: 2.06%	2nd segment: 5.25%	3rd segment: 6.32 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ 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.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ 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	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	
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	62128	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	16127691	3115795	
b Waiver amortization installment		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	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	3177923	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	3177923	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	3182021	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	4098	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
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	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2012
		This Form is Open to Public Inspection.

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

A Name of plan <u>DRC DEFINED BENEFIT PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>DYNAMICS RESEARCH CORPORATION</u>	D Employer Identification Number (EIN) <u>04-2211809</u>

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

MORGAN STANLEY SMITH BARNEY

13-2919773

(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?
28	INVESTMENT MANAGEMENT	216846	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

FIRST STATE TRUST COMPANY

13-3124172

(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	TRUSTEE	64476	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 ☐

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name: MICHAEL A. HLUSKA	b EIN: 53-0181291
c Position: ENROLLED ACTUARY	
d Address: TOWERS WATSON 800 BOYLSTON STREET BOSTON, MA 02199-8103	e Telephone: 617-638-3817

Explanation: REASSIGNMENT OF WORK WITHIN TOWERS WATSON

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2012 This Form is Open to Public Inspection
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>		
A Name of plan <u>DRC DEFINED BENEFIT PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>DYNAMICS RESEARCH CORPORATION</u>	D Employer Identification Number (EIN) <u>04-2211809</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1	Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
	Assets			
a	Total noninterest-bearing cash	1a	28349	2166
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	3510000	1308000
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)	250777	285256
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	2825749	4061274
	(2) U.S. Government securities.....	1c(2)	4790389	0
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)	13443860	18580696
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)	226465	159311
	(B) Common	1c(4)(B)	7719371	6164537
	(5) Partnership/joint venture interests	1c(5)	5493146	7038240
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)		
	(9) Value of interest in common/collective trusts.....	1c(9)		
	(10) Value of interest in pooled separate accounts.....	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	23847062	30540220
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(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	62135168	68139700

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 through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	62135168	68139700
---	-----------	----------	----------

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)	3330000	
(B) Participants	2a(1)(B)		
(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)		3330000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	718	
(B) U.S. Government securities	2b(1)(B)	26296	
(C) Corporate debt instruments	2b(1)(C)	885725	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		912739
(2) Dividends: (A) Preferred stock	2b(2)(A)	12497	
(B) Common stock	2b(2)(B)	284441	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	697598	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		994536
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	47650698	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	47523027	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		127671
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	1304113	
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		1304113

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		3782165
c Other income.....	2c		43813
d Total income. Add all income amounts in column (b) and enter total.....	2d		10495037

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	4160249	
(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)		4160249
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	65349	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	215974	
(4) Other	2i(4)	48933	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		330256
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		4490505

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		6004532
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) ☒ Disclaimer (4) ☐ Adverse

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

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

(1) Name: **MOODY, FAMIGLIETTI & ANDRONICO, LLP**

(2) EIN: **04-3077056**

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

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

Part IV Compliance Questions

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

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a		X	
4b		X	

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

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>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).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2012</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012		
A Name of plan DRC DEFINED BENEFIT PENSION PLAN		B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 DYNAMICS RESEARCH CORPORATION		D Employer Identification Number (EIN) 04-2211809
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
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): _____ 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 3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)	
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		
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.		
Schedule R (Form 5500) 2012 v. 120126		

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: 50% Investment-Grade Debt: 28% High-Yield Debt: 0% Real Estate: 5% Other: 17%

- 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):



MOODY, FAMIGLIETTI & ANDRONICO
Certified Public Accountants & Consultants

To the Pension Committee of the
Dynamics Research Corporation
Defined Benefit Pension Plan
Andover, Massachusetts

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Dynamics Research Corporation Defined Benefit Pension Plan (the "Plan"), which comprise the statements of net assets available for plan benefits as of December 31, 2012 and 2011, and the related statement of changes in net assets available for plan benefits for the year ended December 31, 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Sponsor instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 11, which was certified by First State Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Sponsor that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Sponsor has obtained a certification from the trustee as of December 31, 2012 and 2011 and for the year ended December 31, 2012, that the information provided to the Plan Sponsor by the trustee is complete and accurate.

Disclaimer of Opinion

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



Other Matter

The supplemental schedules of assets held for investment purposes at end of year as of December 31, 2012 and of reportable transactions for the year ended December 31, 2012 are required by the DOL Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not required parts of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

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

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

Moody, Famiglietti & Andronico, LLP

Moody, Famiglietti & Andronico, LLP
Tewksbury, Massachusetts
October 4, 2013

Notice to Terminated Enrolled Actuary

I, as plan administrator, verify that the explanation that is reproduced below is the explanation concerning your termination as reported on the Schedule C (Form 5500) attached to the 2012 Annual Return/Report Form 5500 for the Dynamics Research Corporation Defined Benefit Pension Plan. This Form 5500 is identified in line 2b by the nine-digit EIN 04-2211809 and in line 1b by the three digit PN 003.

Explanation:

Michael A. Hluska, Enrolled Actuary, at Towers Watson, 800 Boylston Street, Boston, MA 02199-8103, terminated as the Plan's Enrolled Actuary due to reassignment of work within Towers Watson.

You have the opportunity to comment to the Department of Labor concerning any aspect of this explanation. Comments should include the name, EIN, and PN of the Plan and be submitted to:

Office of Enforcement
Pension and Welfare Benefits Administration
U. S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210



Mary Grzesik, Plan Administrator

September 24, 2013

Date

Form 5500Department of the Treasury
Internal Revenue ServiceDepartment 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

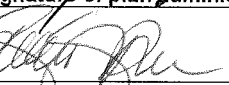
- A** This return/report is for: ☐ a multiemployer plan; ☐ a multiple-employer plan; or
☒ a single-employer plan; ☐ a DFE (specify) _____
- B** This return/report is: ☐ the first return/report; ☐ the final return/report;
☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
- C** If the plan is a collectively-bargained plan, check here. ☐
- D** Check box if filing under: ☒ Form 5558; ☐ automatic extension; ☐ the DFVC program;
☐ special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan DRC DEFINED BENEFIT PENSION PLAN	1b Three-digit plan number (PN) ▶ 002
	1c Effective date of plan 01/01/1980
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) DYNAMICS RESEARCH CORPORATION 2 TECH DRIVE ANDOVER MA 01810	2b Employer Identification Number (EIN) 04-2211809
	2c Sponsor's telephone number (978) 289-1675
	2d Business code (see instructions) 541990

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		<u>9/13/13</u>	Mary Grzesik, Retirement Plans Mgr.
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		<u>9/13/13</u>	Jennifer Pare, Director of Benefits
	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)

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

Form 5500 (2012)
v. 120126

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address <div style="margin-left: 40px;">SAME</div> <div style="margin-left: 40px;">SAME</div>	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 1,691
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 143
b Retired or separated participants receiving benefits	6b 644
c Other retired or separated participants entitled to future benefits.....	6c 784
d Subtotal. Add lines 6a, 6b, and 6c.	6d 1,571
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e 108
f Total. Add lines 6d and 6e.	6f 1,679
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 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: 1G 1I	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

**SCHEDULE 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

2011**This Form is Open to Public
Inspection**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **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 DRC DEFINED BENEFIT PENSION PLAN		B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF DYNAMICS RESEARCH CORPORATON		D Employer Identification Number (EIN) 04-2211809
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2011</u>			
2 Assets:			
a Market value		2a	63,568,347
b Actuarial value		2b	59,572,668
3 Funding target/participant count breakdown:			
		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....		3a	640
b For terminated vested participants.....		3b	860
c For active participants:			
(1) Non-vested benefits.....		3c(1)	48,051
(2) Vested benefits.....		3c(2)	6,614,014
(3) Total active.....		3c(3)	218
d Total.....		3d	1,718
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
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	6.26 %
6 Target normal cost		6	66,031

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>M.A.H.</u>	<u>09/25/2012</u>
	Signature of actuary	Date
<u>Michael A. Hluska</u>		<u>11-05366</u>
Type or print name of actuary		Most recent enrollment number
<u>Towers Watson Delaware Inc.</u>		<u>(617) 638-3817</u>
Firm name		Telephone number (including area code)
<u>800 Boylston Street</u>		
<u>Prudential Tower</u>		
<u>Boston</u>		
<u>MA 02199-8103</u>		
Address of the firm		

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) 2011
v.012611

Part II	Beginning of year carryover and prefunding balances
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100	100

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	2,692,144
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	1,373,743
9	Amount remaining (line 7 minus line 8).....	0	1,318,401
10	Interest on line 9 using prior year's actual return of <u>11.42</u> %.....		150,561
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		3,601,466
b	Interest on (a) using prior year's effective rate of <u>6.64</u> % except as otherwise provided (see instructions).....		304,802
c	Total available at beginning of current plan year to add to prefunding balance.....		3,906,268
d	Portion of (c) to be added to prefunding balance.....		0
12	Other reductions in balances due to elections or deemed elections.....	0	195,699
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	1,273,263

Part III	Funding percentages
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14	Funding target attainment percentage	14	80.01 %
15	Adjusted funding target attainment percentage	15	80.01 %
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	82.29 %
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
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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
01/13/2012	425,000				
09/14/2012	3,085,000				
			Totals •	18(b)	3,510,000
					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	
b Contributions made to avoid restrictions adjusted to valuation date.....	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	3,181,129

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

C If 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
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:			
a Segment rates:	1st segment: 3.78 %	2nd segment: 6.31 %	3rd segment: 6.57 %
			☐ N/A, full yield curve used
b Applicable month (enter code)			21b 4
22 Weighted average retirement age			22 62
23 Mortality table(s) (see instructions)	☐ Prescribed - combined ☒ Prescribed - separate ☐ 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.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is eligible for (and is using) 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	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	
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	66,031										
b Excess assets, if applicable, but not greater than 31a	31b	0										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment</td> <td>14,559,827</td> <td>2,626,666</td> </tr> <tr> <td>b Waiver amortization installment</td> <td></td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment	14,559,827	2,626,666	b Waiver amortization installment		0
	Outstanding Balance	Installment										
a Net shortfall amortization installment	14,559,827	2,626,666										
b Waiver amortization installment		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	0										
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	2,692,697										
		Carryover balance	Prefunding balance									
35 Balances elected for use to offset funding requirement		0	1,273,263									
36 Additional cash requirement (line 34 minus line 35)	36	1,419,434										
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	3,181,129										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	1,761,695										
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	1,273,263										
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 a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 19
Discounted Employer Contributions
as of January 1, 2012

Date	Applicable Plan Year	Contribution	Interest Rate Used to Discount During Timely Contribution Period	Timely Contribution Period	Interest Rate Used to Discount During Late Contribution Period	Late Contribution Period	Interest Adjusted Contribution
04/16/2012	2012	674,000	5.46%	.28889	10.46%	.00278	663,544
07/13/2012	2012	674,000	5.46%	.53333	N/A	N/A	655,159
10/15/2012	2012	674,000	5.46%	.78889	N/A	N/A	646,318
01/15/2013	2012	674,000	5.46%	1.03889	N/A	N/A	637,785
09/12/2013	2012	634,000	5.46%	1.70000	N/A	N/A	579,215
Total		3,330,000					3,182,021

Plan Name: Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN: 04-2211809 / 002
Plan Sponsor: Dynamics Research Corporation
Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2012

The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

x	q_x^r	l_x	${}_{x-55}p_{55} = l_x / l_{55}$	$q_x^r * l_x / l_{55}$	$x * q_x^r * l_x / l_{55}$
55	0.05	1,000,000	1.000000	0.050000	2.750000
56	0.05	950,000	0.950000	0.047500	2.660000
57	0.05	902,500	0.902500	0.045125	2.572125
58	0.05	857,375	0.857375	0.042869	2.486388
59	0.05	814,506	0.814506	0.040725	2.402793
60	0.10	773,781	0.773781	0.077378	4.642686
61	0.10	696,403	0.696403	0.069640	4.248057
62	0.15	626,763	0.626763	0.094014	5.828892
63	0.15	532,748	0.532748	0.079912	5.034470
64	0.15	452,836	0.452836	0.067925	4.347225
65	1.00	384,911	0.384911	0.384911	25.019186

Average age at retirement 61.991822

Rounded for Schedule SB line 22 62

Plan Name: Dynamics Research Corporation Defined Benefit Pension Plan
 EIN / PN: 04-2211809 / 002
 Plan Sponsor: Dynamics Research Corporation
 Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Interest rate basis:

- | | |
|---|-----------------|
| • Applicable month | September |
| • Yield curve basis | 3-Segment Rates |
| • MAP-21 applied for funding | No |
| • MAP-21 applied for benefit restrictions | No |

Interest rates:

- | | |
|---------------------------|-------|
| • First segment rate | 2.06% |
| • Second segment rate | 5.25% |
| • Third segment rate | 6.32% |
| • Effective interest rate | 5.46% |

Assumed Cost of Living Adjustments

None.

Inclusion Date

The valuation date coincident with or next following the date on which the employee becomes a participant. Participation in this plan is frozen.

Plan-related Expenses

Plan-related expenses are assumed to be the amount of administrative expenses paid during the prior year. The amount included this year for plan-related expenses is \$ 62,128.

Mortality

For all participants: The prescribed mortality assumption under IRC §430(h)(3)(A) using static tables with separate mortality rates for annuitants and non-annuitants.

Plan Name:	Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN:	04-2211809/002
Plan Sponsor:	Dynamics Research Corporation
Valuation Date	January 1, 2012

SCHEDULE SB ATTACHMENTS

Retirement

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age and gender are shown below.

	Percentage retiring during the year	
Age	Males	Females
55-59	5.00%	5.00%
60-61	10.00%	10.00%
62-64	15.00%	15.00%
65	100.00%	100.00%

Compensation Increases

Not Applicable – Frozen Plan.

Future Increases in Social Security

Not Applicable – Frozen Plan.

Future Increases in Maximum Benefits and Plan Compensation Limitations

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC §415. Plan compensation is limited to the maximum presently allowed under IRC §401(a)(17). No provision is made for future increases in the maximum annual benefit or compensation limit.

Plan Name:	Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN:	04-2211809/002
Plan Sponsor:	Dynamics Research Corporation
Valuation Date	January 1, 2012

SCHEDULE SB ATTACHMENTS

Representative Termination Rates (per 100 employees) not Due to Disability, Retirement or Mortality

Attained Age	Percentage leaving during the year	
	Males	Females
20	30.0%	30.0%
25	30.0	30.0
30	20.0	20.0
35	15.0	15.0
40	12.5	12.5
45	10.0	10.0
50	7.5	7.5
55 & Over	0.0	0.0

Form of Payment

Participants are assumed to elect the normal form.

Marriage

80% of participants are assumed to be married.

Employees

It was assumed that there will be no new or rehired employees.

Cash flow and timing of benefit payments

Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Valuation date

First day of plan year

Funding target

Present value of accrued benefits

Plan Name: Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN: 04-2211809/002
Plan Sponsor: Dynamics Research Corporation
Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS

Target normal cost

Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year.

Asset Method

Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22) . The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2011 plan year).

The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.

Plan Compensation

Not Applicable – Frozen Plan.

Participant Data

Employee data was supplied by the employer as of the census date.

Tax Policy

The actuarial valuation performed for the plan year ending December 31, 2012 is used to determine the maximum deductible contribution for the tax year ending December 31, 2012.

Benefits not valued

All benefits described in the Plan Provisions section of this report were valued. Towers Watson has reviewed the plan provisions with Dynamics Research Corporation and, based on that review, is not aware of any significant benefits required to be valued that were not.

Plan Name:	Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN:	04-2211809/002
Plan Sponsor:	Dynamics Research Corporation
Valuation Date	January 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Effective Date and Most Recent Amendment

The plan was originally effective January 1, 1980. On October 25, 2006, Dynamics Research Corporation's Board of Directors approved an amendment to the plan that removed the 3% annual benefit inflator and fully freezes benefit accruals as of December 31, 2006. The Plan was most recently amended on December 1, 2010.

Plan Year

The twelve-month period ending 12/31.

Coverage and Participation

Employees classified as staff and service employees will become participants on the first day of the month following the completion of one year of service and at least 1,000 hours. Participation in the plan was frozen as of June 30, 2002.

Normal or Late Retirement Benefit

Normal Retirement Date: A participant who retires from the Company after attaining the later of age 65.

Benefit Formula: The normal monthly retirement benefit of a participant payable in the normal form is the greatest of one-twelfth of (a), (b) and (c):

- (a) .6833 percent of average annual compensation plus .650 percent of average annual compensation in excess of Social Security Covered Compensation multiplied by years of benefit service up to 30 years;
- (b) the benefit accrued as of December 31, 1987 under the former plans, and
- (c) \$60 multiplied by years of benefit service.

Benefits are fixed effective June 30, 2002. The accrued benefit calculated as of June 30, 2002 will be indexed at 3% per year beginning December 31, 2003 and ending December 31, 2006.

Commencement Date: Payments shall commence on the first day of the month following an employee's retirement from the Company or the date he applies for his benefit.

Plan Name:	Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN:	04-2211809/002
Plan Sponsor:	Dynamics Research Corporation
Valuation Date	January 1, 2012

SCHEDULE SB ATTACHMENTS

Normal Form of Benefit: The benefit is paid monthly for the life of the retired participant .

Early Retirement Benefit

Eligibility: Participants with 10 or more years of vesting service may retire any time after age 55.

Benefit: Same as normal retirement. If benefits commence prior to age 65, the accrued benefit shall be reduced by 5/9ths of 1.0% for each of the first 60 months and by 5/18ths of 1.0% for each month in excess of 60 that benefit commencement date precedes Normal Retirement Date.

Commencement Date: Payments shall commence on the first day of the month coincident with or next following the later of early retirement and application for benefits.

Form of Benefit: Same as normal retirement.

Vested Benefits Upon Termination of Service

Vesting: A Participant who terminates employment after completion of 5 or more years of vesting service is eligible for a vested deferred benefit

Termination Benefit: Same as normal retirement.

Commencement Date: The vested accrued benefit of terminated participant is payable as a monthly pension at age 65 or it may be payable as early as 55 with the reduction for early retirement if the participant has 10 or more years of vesting service.

Form of Benefit: Same as normal retirement.

Death Benefits for Participants in Active Service

Eligibility: An active or terminated vested participant who has completed five or more years of vesting service and was married at death is covered by the pre-retirement death benefit.

Plan Name:	Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN:	04-2211809/002
Plan Sponsor:	Dynamics Research Corporation
Valuation Date	January 1, 2012

SCHEDULE SB ATTACHMENTS

Benefit: The amount of benefit payable to the surviving spouse is the actuarial equivalent of the benefit that the participant would have received if the participant had

(a) survived to the earliest retirement date,

(b) retired and elected to be paid in the form of a joint annuity with 100 percent to the surviving spouse, and

(c) died immediately thereafter

Commencement Date: The benefit will be payable as an annuity commencing on the first of the month following the participant's death.

Pension Increases

None.

Plan Participants' Contributions

No participant contributions are allowed or required.

Changes in Plan Provisions since Last Actuarial Valuation

There have been no changes in the principal plan provisions since the prior valuation.

Plan Name:	Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN:	04-2211809/002
Plan Sponsor:	Dynamics Research Corporation
Valuation Date	January 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26 Schedule of Active Participant Data as of January 1, 2012

Attained Age	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		0		0		0		0		0		0		0		0		0	
25 - 29	0		0		0		0		0		0		0		0		0		0	
30 - 34	0		1		1		0		0		0		0		0		0		0	
35 - 39	0		3		0		1		0		0		0		0		0		0	
40 - 44	0		7		4		3		4		0		0		0		0		0	
45 - 49	0		10		4		4		7		1		0		0		0		0	
50 - 54	1		20		3		2		7		1		0		0		0		0	
55 - 59	1		17		9		5		5		2		2		0		0		0	
60 - 64	0		20		12		2		7		3		0		1		0		0	
65 - 69	0		2		0		1		0		0		0		0		0		0	
70 & Over	0		1		0		0		0		0		0		0		0		0	

Plan Name: Dynamics Research Corporation Defined Benefit Pension Plan
 EIN / PN: 04-2211809 / 002
 Plan Sponsor: Dynamics Research Corporation
 Valuation Date: January 1, 2012

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32
Schedule of Amortization Bases
as of January 1, 2012

Type of Base		Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2012	3,087,434	7	3,087,434	489,129
2	Shortfall	01/01/2011	6,061,536	6	5,561,409	997,301
3	Shortfall	01/01/2010	7,453,204	5	6,023,459	1,254,315
4	Shortfall	01/01/2009	2,113,568	4	1,455,389	375,050
Total					16,127,691	3,115,795

Plan Name: Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN: 04-2211809 / 002
Plan Sponsor: Dynamics Research Corporation
Valuation Date: January 1, 2012

Statements of Net Assets Available for Plan Benefits

Dynamics Research Corporation
Defined Benefit Pension Plan

December 31	2012	2011
Assets		
Investments at Fair Value:		
Equity Mutual Funds	\$ 30,540,220	\$ 23,847,060
Corporate and Foreign Bonds	18,580,696	13,443,860
Partnerships	7,038,240	5,493,146
Money Market Accounts	4,061,274	2,825,750
Common Equity Securities	3,489,083	5,280,575
Real Estate Investment Trusts	2,675,454	2,438,796
Preferred Equity Securities	159,311	226,466
Cash	3,019	-
U.S. Treasury Obligations	-	3,539,543
U.S. Government Securities	-	1,250,846
Total Investments	66,547,297	58,346,042
Receivables:		
Plan Sponsor Contributions	1,308,000	3,510,000
Interest Income	285,256	250,777
Amounts Due from Broker	-	28,349
Total Receivables	1,593,256	3,789,126
Total Assets	68,140,553	62,135,168
Liabilities		
Amounts Due to Broker	853	-
Net Assets Available for Plan Benefits	\$ 68,139,700	\$ 62,135,168

Statement of Changes in Net Assets
Available for Plan Benefits

Dynamics Research Corporation
Defined Benefit Pension Plan

For the Year Ended December 31

2012

Additions to Net Assets:

Net Appreciation in Fair Value of Investments	\$ 5,175,299
Plan Sponsor Contributions	3,330,000
Interest and Dividend Income from Investments	1,907,276
Other Income	43,811

Total Additions	10,456,386
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Deductions from Net Assets:

Benefit Payments	4,160,249
Administrative Expenses	291,605

Total Deductions	4,451,854
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Net Increase in Net Assets Available for Plan Benefits	6,004,532
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Net Assets Available for Plan Benefits, Beginning of Year	62,135,168
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Net Assets Available for Plan Benefits, End of Year	\$ 68,139,700
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1. Description of the Plan:

The following description of Dynamics Research Corporation Defined Benefit Pension Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for more complete information regarding the terms of the Plan.

General: The Plan is a noncontributory defined benefit plan maintained for the purpose of providing retirement benefits to eligible employees of Dynamics Research Corporation (the "Plan Sponsor"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Through June 30, 2002, generally, all employees of the Plan Sponsor who had completed 12 consecutive months of service and at least 1,000 hours and who did not make a special election to the contrary were considered Participants in the Plan (the "Participants"). Effective June 30, 2002, the Board of Directors of the Plan Sponsor voted to freeze participation in the Plan and to amend the Plan's accrual of future benefits.

Contributions: The Plan Sponsor makes contributions to the Plan to meet the minimum funding requirements as determined by the Plan's independent actuary. No voluntary employee contributions are permitted. Amounts contributed are deposited with the trustee of the Plan.

Vesting: As of June 30, 2007, all Participants were fully vested.

Benefits and Withdrawals: The Plan provides for retirement benefits in the form of a life annuity to be paid to Participants who have reached the age of 65 and who have retired from active service with the Plan Sponsor. In addition, the Plan provides for benefits upon early retirement and vested termination. The annual normal retirement benefit is the greatest of:

- .6833 percent of average annual compensation plus .65 percent of average annual compensation in excess of Social Security Covered Compensation multiplied by years of benefit service up to 30 years;
- the benefit accrued as of December 31, 1987 under the former plans;
- \$60 multiplied by years of benefit service.

Effective October 1, 2007, the Board of Directors of the Plan Sponsor approved plan participants age 65 or older, to continue working at their current schedule and be eligible to begin receiving their full pension payments. Plan participants who do not choose to commence pension payments will receive an actuarial adjustment when they do decide to start receiving pension benefits, to reflect their delayed retirement beyond age 65.

2. Significant Accounting Policies:

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

Investment Valuation and Income Recognition: Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for further discussion of fair value measurements.

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

Payment of Benefits: Benefits are recorded when paid.

Expenses: Certain expenses of maintaining the Plan are paid directly by the Plan Sponsor and are excluded from these financial statements. Investment related expenses are included in administrative expenses.

Use of Estimates: The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Subsequent Events: The Plan Sponsor has evaluated subsequent events through October 4, 2013, the date the financial statements were available to be issued.

3. Actuarial Valuation and Assumptions:

Towers Watson is the Plan's actuarial consultant. The significant assumptions used in the actuarial valuation as of December 31, 2012 are as follows:

Investment Return	8.15% compounded annually
Mortality Table	RP-2000 Combined Healthy Mortality table with separate rates for males and females projected to 2012
Normal Retirement Age	It is assumed Participants will retire based on the following rates: 55-59: 5%; 60-61: 10%, 62-64: 15%; and 65: 100%
Asset Valuation Method	4-Year Average Method with a restart on January 1, 2013
Actuarial Cost Method	Projected Unit Credit Cost Method

The actuarial present value of accumulated plan benefits at December 31, 2012 and 2011 is as follows:

	2012	2011
Actuarial Present Value of Vested Accumulated Plan Benefits:		
Participants Receiving Benefits	\$ 36,825,271	\$ 34,972,854
Other Participants	23,972,538	25,274,331
	<u>60,797,809</u>	<u>60,247,185</u>
Actuarial Present Value of Nonvested Accumulated Plan Benefits	<u>42,149</u>	<u>42,953</u>
	<u>\$ 60,839,958</u>	<u>\$ 60,290,138</u>

The changes in the actuarial present value of accumulated plan benefits for the years ended December 31, 2012 and 2011 consist of the following:

	2012	2011
Actuarial Present Value of Accumulated Plan Benefits, Beginning of Year	\$ 60,290,138	\$ 58,298,169
Increase (Decrease) During the Year Attributable to:		
Decrease in the Discount Period	4,744,116	4,675,912
Benefits Paid	(4,160,249)	(3,923,749)
Change in Actuarial Assumptions	109,475	940,655
Actuarial (Gains) Losses	(143,522)	299,151
Net Increase	<u>549,820</u>	<u>1,991,969</u>
Actuarial Present Value of Accumulated Plan Benefits, End of Year	<u>\$ 60,839,958</u>	<u>\$ 60,290,138</u>

4. Investments:

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

	2012	2011
Equity Mutual Funds:		
Wisdomtree Diefa Fund	\$ 8,483,953	
Vanguard Growth ETF	7,842,470	
Vanguard Value ETF	6,196,756	
Wisdomtree Emerging Markets Equity Fund	4,523,729	
Vanguard Mid-Cap ETF	3,493,312	
Partnerships:		
SkyBridge Multi-Advisor	4,302,644	
Money Market Accounts:		
Northern Inst'l Diversified Assets-SW	4,061,274	
Equity Mutual Funds:		
Wisdomtree Diefa Fund	\$	7,420,556
Vanguard Growth ETF		7,234,752
Vanguard Value ETF		5,958,245
Partnerships:		
CMF Institutional Futures Portfolio L.P.		3,587,148

The net appreciation (depreciation) in the fair value of the Plan's investments by investment category (including gains and losses on investments bought and sold, as well as held during the year) are as follows:

Equity Mutual Funds	\$ 3,782,165
Common Equity Securities	709,426
Partnerships	456,623
Corporate and Foreign Bonds	234,038
U.S. Government Securities	(36,843)
Preferred Equity Securities	29,890
	<u>\$ 5,175,299</u>

5. Fair Value:

The Plan utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described 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 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

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

- *Mutual Funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are registered with the Securities and Exchange Commission. These funds are required to publish their daily Net Asset Value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.
- *Corporate and Foreign Bonds:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.
- *Partnerships and Real Estate Funds:* Valued based on the net asset value per share, without further adjustment. Net asset value is based upon the fair value of the underlying investments.
- *Common and Preferred Equity Securities:* Valued at the closing price reported on the New York Stock Exchange.
- *U.S. Government Securities and Treasury Notes:* Valued using pricing models maximizing the use of observable inputs for similar securities.

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.

5. Fair Value (Continued):

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

	Investment Assets at Fair Value as of December 31, 2012			
	Total	Level 1	Level 2	Level 3
Equity Mutual Funds	\$ 30,540,220	\$ 30,540,220	\$ -	\$ -
Corporate and Foreign Bonds	18,580,696	-	18,580,696	-
Partnerships	7,038,240	-	-	7,038,240
Money Market Accounts	4,061,274	-	4,061,274	-
Common Equity Securities	3,489,083	3,489,083	-	-
Real Estate Investment Trusts	2,675,454	2,675,454	-	-
Preferred Equity Securities	159,311	159,311	-	-
Cash	3,019	3,019	-	-
Total Investments	\$ 66,547,297	\$ 36,867,087	\$ 22,641,970	\$ 7,038,240

	Investment Assets at Fair Value as of December 31, 2011			
	Total	Level 1	Level 2	Level 3
Equity Mutual Funds	\$ 23,847,062	\$ 23,847,062	\$ -	\$ -
Corporate and Foreign Bonds	13,443,860	-	13,443,860	-
Partnerships	5,493,146	-	-	5,493,146
Money Market Accounts	2,825,750	-	2,825,750	-
Common Equity Securities	6,531,420	5,280,574	1,250,846	-
Real Estate Investment Trusts	2,438,796	2,438,796	-	-
Preferred Equity Securities	226,465	226,465	-	-
U.S. Treasury Obligations	3,539,543	-	3,539,543	-
Total Investments	\$ 58,346,042	\$ 31,792,897	\$ 21,059,999	\$ 5,493,146

5. Fair Value (Continued):

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 investment assets for the years ended December 31, 2012 and 2011.

	<u>Partnerships</u>
Balance as of December 31, 2010	\$ 4,219,171
Net Realized and Unrealized Gains (Losses)	(202,629)
Purchases	<u>1,476,604</u>
Balance as of December 31, 2011	5,493,146
Net Realized and Unrealized Gains (Losses)	518,435
Purchases	2,942,482
Sales	<u>(1,915,823)</u>
Balance as of December 31, 2012	<u>\$ 7,038,240</u>

The Plan's Level 3 financial assets are measured at the fair value of those financial assets based on the NAV of those assets, absent the development of quantitative unobservable inputs by the Plan. Pricing for these assets is based on third-party pricing information without adjustment by the Plan.

The investment strategies relating to each of its investment funds utilizing Level 3 inputs are as follows:

- The investment objective of the SkyBridge Multi-Advisor Fund is to seek capital appreciation. The fund seeks to implement its objectives principally through investing in investment funds managed by third-party investment managers that employ a variety of alternative investment strategies. The investment program of the fund can be referred to as a fund of hedge funds.
- The CMF Institutional Futures Portfolio seeks to achieve capital appreciation through the allocation of assets to multiple commodity trading advisors which will engage in speculative trading, either directly or indirectly, in U.S. and international markets for currencies, interest rates, stock indices, agricultural and energy products and precious and base metals. The fund may employ futures, options on futures, and forward contracts in those markets. The fund may also enter into swap transactions and other derivative transactions with the approval of the general partner.
- The investment of the Millennium Fund is to achieve above-average appreciation by opportunistically trading and investing in a wide variety of securities, instruments, and other investment opportunities and engaging in a broad array of trading and investment strategies.

Valuation policies and procedures are managed by the Plan Sponsor's finance group, which regularly monitors fair value measurements. Fair value measurements, including those categorized within Level 3, are prepared and reviewed on their issuance date and then on an annual basis and any third-party valuations are reviewed for reasonableness and compliance with the *Fair Value Measurement* topic of the FASB's Accounting Standards Codification.

5. Fair Value (Continued):

The investment strategies relating to each of its investment funds utilizing Level 2 inputs are as follows:

- Corporate and foreign bonds and money market accounts, utilizing Level 2 inputs seek to preserve capital while also providing a competitive level income over time. The Plan holds a wide variety of corporate and bond investments, and also invests in one money market account.
- U.S treasury obligations, utilizing Level 2 inputs, seek to preserve capital while also providing a competitive level income over time. The Plan held a variety of U.S. Treasury notes at varying interest rate returns.
- Common equity securities, utilizing Level 2 inputs, seek to provide a competitive level of income over time. The Plan held a variety of common equity securities in a variety of corporations.

The following table summarizes investments measured at fair value utilizing Level 2 and 3 inputs based on NAV per share as of December 31, 2012 and 2011, respectively.

December 31, 2012	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Corporate and Foreign Bonds	\$ 18,580,696	None	Daily	None
Money Market Accounts	\$ 4,061,274	None	Daily	None
SkyBridge Multi-Advisor	\$ 4,302,644	None	N/A*	N/A*
CMF Institutional Futures Portfolio L.P.	\$ 1,725,227	None	Monthly	3 Days
Millennium Fund	\$ 1,010,369	None	Semi-annually	90 Days

December 31, 2011	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Corporate and Foreign Bonds	\$ 13,443,860	None	Daily	None
U.S. Treasury Obligations	\$ 3,539,543	None	Daily	None
Money Market Accounts	\$ 2,825,750	None	Daily	None
Common Equity Securities	\$ 1,250,846	None	Daily	None
CMF Institutional Futures Portfolio L.P.	\$ 3,587,148	None	Monthly	3 Days
Millennium Fund	\$ 1,905,998	None	Semi-annually	90 Days

*Investments in the SkyBridge Multi-Advisor Fund cannot be redeemed at the discretion of the Plan Sponsor. The fund may, from time-to-time offer to repurchase shares from its investors.

6. Party-in-Interest Transactions:

Certain Plan investments are managed by First State Trust Company, trustee of the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in administrative expenses in the accompanying statement of changes in net assets available for plan benefits for the year ended December 31, 2012. The Plan Sponsor pays directly any other fees related to the Plan's operations. The Plan also invests in the common stock of Towers Watson and Company, which serves as actuary to the Plan.

7. Tax Status:

The Internal Revenue Service has determined and informed the Plan Sponsor by a letter dated January 18, 2011, that the Plan and related trust are designed in accordance with the applicable provisions of the IRC. Therefore, the Plan Sponsor is of the opinion that the Plan and the related trust were tax-exempt as of and for the year ended December 31, 2012.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and to recognize a tax liability (or asset) if the Plan Sponsor has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan Sponsor believes it has no uncertain tax positions as of December 31, 2012 and 2011 and for the year ended December 31, 2012.

The Plan is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress. The Plan Sponsor believes it is no longer subject to income tax examinations for years prior to 2009.

8. Plan Termination:

While it is the intention of the Plan Sponsor to continue the Plan indefinitely, the Plan Sponsor reserves the right to terminate or amend the Plan at any time subject to the provisions of ERISA. In the event of termination, the rights of all Participants to benefits will become nonforfeitable to the extent funded or as guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a U.S. government agency. The priorities for determining the allocation of Plan assets would be governed by ERISA and regulations issued by the PBGC. First State Trust Company, the trustee, will make distributions to the Participants or their beneficiaries in accordance with the instructions of the Pension Committee, or in the absence of such instructions, as the trustee deems advisable.

During the year ended December 31, 2012, the Plan Sponsor reported to the PBGC a decline in the number of active plan participants to less than 75% of the number at the beginning of the previous plan year, as required by the PBGC.

9. Frozen Plan:

On December 11, 2001, the Board of Directors of the Plan Sponsor voted to freeze membership to the Plan and to amend the Plan's accrual of benefits as of June 30, 2002. Effective June 30, 2002, all Participants eligible for benefits will receive those earned benefits. Such benefits will be calculated as of June 30, 2002, based on each Participant's highest five consecutive years of earnings through that date. The calculated benefit was increased annually by 3%, for the plan years ended December 31, 2003 through December 31, 2006. Effective January 1, 2007, the 3% annual increase was discontinued.

10. Risks and Uncertainties:

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

11. Information Certified by the Trustee:

The Plan Sponsor has elected the method of compliance permitted under 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. Accordingly, no auditing procedures with respect to the information certified by First State Trust Company, the trustee of the Plan, were performed by the independent auditors except for comparing the information to the financial statements and supplemental schedules. The trustee has certified as to the completeness and accuracy of the investments held by the Plan as of December 31, 2012 and 2011, the investment earnings and the other investment-related transactions of the Plan for the year ended December 31, 2012, and the information contained in the accompanying supplemental schedule of assets held for investment purposes at end of year as of December 31, 2012.

Schedule H, Line 4i Supplemental Schedule of Assets Held for
Investment Purposes at End of Year

Assets held by the Plan for investment purposes as of December 31, 2012, are summarized as follows:

(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) No. of Shares or Units
		<u>Equity Mutual Funds:</u>	
	Wisdomtree Diefa Fund	Mutual Funds	182,568
	Vanguard Growth ETF	Mutual Funds	110,178
	Vanguard Value ETF	Mutual Funds	105,387
	Wisdomtree Emerging Markets Equity Fund	Mutual Funds	79,100
	Vanguard Mid-Cap ETF	Mutual Funds	42,374
		Subtotal: Equity Mutual Funds	
		<u>Corporate and Foreign Bonds:</u>	
	National Rural Util	Expiry Date 03/01/14, Interest Rate 4.7500% Per Annum	500,000
	Simon Property Group	Expiry Date 03/15/22, Interest Rate 3.3750% Per Annum	475,000
	JP Morgan Chase & Co.	Expiry Date 01/20/15, Interest Rate 3.7000% Per Annum	475,000
	AT & T Inc	Expiry Date 02/15/17, Interest Rate 1.6000% Per Annum	475,000
	Ebay Inc.	Expiry Date 07/15/22, Interest Rate 3.2500% Per Annum	475,000
	Wells Fargo Co	Expiry Date 12/11/17, Interest Rate 5.6250% Per Annum	400,000
	Conocophillips	Expiry Date 01/15/15, Interest Rate 4.6000% Per Annum	400,000
	Allstate Corp	Expiry Date 05/16/14, Interest Rate 6.2000% Per Annum	400,000
	Texas Instruments	Expiry Date 05/16/16, Interest Rate 2.3750% Per Annum	400,000
	John Deere Capital Corp	Expiry Date 03/15/17, Interest Rate 1.4000% Per Annum	400,000
	Devon Energy	Expiry Date 01/15/19, Interest Rate 6.3000% Per Annum	325,000
	Kraft Foods Inc	Expiry Date 08/11/17, Interest Rate 6.5000% Per Annum	325,000
	American Express	Expiry Date 07/15/13, Interest Rate 4.8750% Per Annum	350,000
	Procter & Gamble Co	Expiry Date 02/15/19, Interest Rate 4.7000% Per Annum	30,000
	Pepsico Inc	Expiry Date 02/15/13, Interest Rate 4.6500% Per Annum	350,000

* (a) Represents a party-in-interest to the Plan.

Schedule H, Line 4i Supplemental Schedule of Assets Held for
Investment Purposes at End of Year (Continued)

(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) No. of Shares or Units
	General Mills Inc	Expiry Date 12/15/21, Interest Rate 3.1500% Per Annum	325,000
	Caterpillar Inc.	Expiry Date 05/27/21, Interest Rate 3.9000% Per Annum	300,000
	Wal-Mart Stores Inc	Expiry Date 07/01/15, Interest Rate 4.5000% Per Annum	300,000
	Gen Elec Cap Crp	Expiry Date 05/01/13, Interest Rate 4.8000% Per Annum	300,000
	Eli Lilly & Co	Expiry Date 03/06/14, Interest Rate 4.2000% Per Annum	250,000
	Oracle Corp.	Expiry Date 04/15/13, Interest Rate 4.9500% Per Annum	250,000
	Oracle Corp.	Expiry Date 04/15/18, Interest Rate 5.7500% Per Annum	200,000
	United Parcel	Expiry Date 01/15/18, Interest Rate 5.5000% Per Annum	200,000
	Coca-Cola Co	Expiry Date 03/15/19, Interest Rate 4.8750% Per Annum	200,000
	Comcast Corp.	Expiry Date 01/15/14, Interest Rate 5.3000% Per Annum	225,000
	Target Corp.	Expiry Date 07/15/16, Interest Rate 5.8750% Per Annum	200,000
	Pfizer Inc	Expiry Date 03/15/15, Interest Rate 5.3500% Per Annum	200,000
	DuPont Ei Nemour	Expiry Date 01/15/15, Interest Rate 3.2500% Per Annum	200,000
	Bank of Ny Mellon	Expiry Date 05/15/14, Interest Rate 4.3000% Per Annum	200,000
	US Bancorp	Expiry Date 05/15/14, Interest Rate 4.2000% Per Annum	200,000
	Walt Disney Co	Expiry Date 12/15/13, Interest Rate 4.5000% Per Annum	200,000
	Intl Lease Finance Corp.	Expiry Date 01/15/22, Interest Rate 8.6250% Per Annum	160,000
	RR Donnelley & Sons Co	Expiry Date 05/15/18, Interest Rate 7.2500% Per Annum	200,000
	Alliant Tech Systems	Expiry Date 09/15/20, Interest Rate 6.0000% Per Annum	175,000
	Iron Mountain Inc	Expiry Date 08/15/24, Interest Rate 8.6250% Per Annum	185,000
	Frontier Communications	Expiry Date 07/01/21, Interest Rate 9.2500% Per Annum	156,000
	Denbury Resources	Expiry Date 02/15/20, Interest Rate 8.2500% Per Annum	160,000
	CHS/ Community Health Systems	Expiry Date 07/15/20, Interest Rate 7.1250% Per Annum	168,000
	Tenneco Inc	Expiry Date 12/15/20, Interest Rate 6.8750% Per Annum	163,000
	Lamar Media Corp	Expiry Date 02/01/22, Interest Rate 5.8750% Per Annum	163,000
	Ford Motor Credit	Expiry Date 01/15/20, Interest Rate 8.1250% Per Annum	138,000
	Chesapeake Energy Corp	Expiry Date 02/15/21, Interest Rate 6.1250% Per Annum	170,000
	Hertz Corp	Expiry Date 01/15/21, Interest Rate 7.3750% Per Annum	160,000
	Range Resources Inc	Expiry Date 08/15/22, Interest Rate 5.0000% Per Annum	168,000
	HCA Holding Inc	Expiry Date 02/15/21, Interest Rate 6.2500% Per Annum	171,000

* (a) Represents a party-in-interest to the Plan.

Schedule H, Line 4i Supplemental Schedule of Assets Held for
Investment Purposes at End of Year (Continued)

(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) No. of Shares or Units
	Peabody Energy Corp	Expiry Date 11/01/26, Interest Rate 7.8750% Per Annum	162,000
	Forest Oil	Expiry Date 06/15/19, Interest Rate 7.2500% Per Annum	173,000
	CCO Hldgs LLC/Cap	Expiry Date 01/15/19, Interest Rate 7.0000% Per Annum	160,000
	Continental Resources	Expiry Date 04/01/21, Interest Rate 7.1250% Per Annum	150,000
	United Rentals North Am	Expiry Date 06/15/23, Interest Rate 6.1250% Per Annum	160,000
	Teekay Corp	Expiry Date 01/15/20, Interest Rate 8.5000% Per Annum	160,000
	Suburban Propane	Expiry Date 03/15/20, Interest Rate 7.3750% Per Annum	155,000
	SPX Corp	Expiry Date 09/01/17, Interest Rate 6.8750% Per Annum	150,000
	Nrg Energy Inc	Expiry Date 01/15/18, Interest Rate 7.6250% Per Annum	150,000
	Transdigm Inc	Expiry Date 12/15/18, Interest Rate 7.7500% Per Annum	150,000
	Davita Inc.	Expiry Date 11/01/20, Interest Rate 6.6250% Per Annum	150,000
	FerrellGas LP	Expiry Date 10/01/17, Interest Rate 9.1250% Per Annum	150,000
	Owens-Illinois Inc	Expiry Date 05/15/18, Interest Rate 7.8000% Per Annum	140,000
	Arch Coal Inc	Expiry Date 10/01/20, Interest Rate 7.2500% Per Annum	168,000
	Healthsouth Corp.	Expiry Date 09/15/22, Interest Rate 7.7500% Per Annum	138,000
	Gen Elec Cap Crp Mtn	Expiry Date 09/15/17, Interest Rate 5.6250% Per Annum	125,000
	Walgreen Co	Expiry Date 01/15/19, Interest Rate 5.2500% Per Annum	125,000
	Hewlett- Packard Co	Expiry Date 12/09/21, Interest Rate 4.6500% Per Annum	130,000
	Nrg Energy Inc	Expiry Date 06/15/19, Interest Rate 8.5000% Per Annum	114,000
	Sysco Corp	Expiry Date 02/12/18, Interest Rate 5.2500% Per Annum	100,000
	Intelsat Jackson Hidg	Expiry Date 04/01/21, Interest Rate 7.5000% Per Annum	100,000
	Mediacom LLC	Expiry Date 08/15/19, Interest Rate 9.1250% Per Annum	98,000
	Graphic Package	Expiry Date 10/01/18, Interest Rate 7.8750% Per Annum	95,000
	Aes Corp	Expiry Date 10/15/17, Interest Rate 8.0000% Per Annum	90,000
	US Airways Pass	Expiry Date 01/29/19, Interest Rate 8.3600% Per Annum	91,707
	Be Aerospace Inc	Expiry Date 10/01/20, Interest Rate 6.8750% Per Annum	90,000
	United Tech Corp	Expiry Date 02/01/19, Interest Rate 6.1250% Per Annum	73,000
	Avis Budget Car Rental	Expiry Date 03/15/18, Interest Rate 9.6250% Per Annum	80,000
	AT & T Inc	Expiry Date 02/01/18, Interest Rate 5.5000% Per Annum	73,000
	JP Morgan Chase & Co.	Expiry Date 04/23/19, Interest Rate 6.3000% Per Annum	70,000

* (a) Represents a party-in-interest to the Plan.

Schedule H, Line 4i Supplemental Schedule of Assets Held for
Investment Purposes at End of Year (Continued)

(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) No. of Shares or Units
	Lazard Group LLC	Expiry Date 05/15/15, Interest Rate 7.1250% Per Annum	76,000
	Cablevision Systems Corp	Expiry Date 04/15/20, Interest Rate 8.0000% Per Annum	75,000
	Comcast Corp.	Expiry Date 06/15/16, Interest Rate 4.9500% Per Annum	74,000
	Time Warner Cable Inc	Expiry Date 02/15/21, Interest Rate 4.1250% Per Annum	74,000
	Avis Budget Car Rental	Expiry Date 03/15/20, Interest Rate 9.7500% Per Annum	70,000
	Becton Dickinson	Expiry Date 11/12/20, Interest Rate 3.2500% Per Annum	75,000
	Continental Airlines	Expiry Date 04/11/20, Interest Rate 6.2500% Per Annum	75,000
	Cred Suis Fb USA	Expiry Date 08/15/15, Interest Rate 5.1250% Per Annum	71,000
	Equinix Inc.	Expiry Date 07/15/21, Interest Rate 7.3750% Per Annum	70,000
	GE Company	Expiry Date 02/01/13, Interest Rate 5.0000% Per Annum	71,000
	Kroger Co	Expiry Date 01/15/14, Interest Rate 7.5000% Per Annum	65,000
	AES Corp Sr Nt	Expiry Date 06/01/20, Interest Rate 8.0000% Per Annum	60,000
	Berkshire Hathaway	Expiry Date 02/11/15, Interest Rate 3.2000% Per Annum	64,000
	Hewlett- Packard Co	Expiry Date 03/01/13, Interest Rate 4.5000% Per Annum	62,000
	Verizon Comm Inc	Expiry Date 11/01/18, Interest Rate 8.7500% Per Annum	41,000
	Amerigas Part/Fin Corp	Expiry Date 05/20/21, Interest Rate 6.5000% Per Annum	45,000
	Nrg Energy Inc	Expiry Date 05/15/21, Interest Rate 7.8750% Per Annum	35,000
	Elizabeth Arden	Expiry Date 03/15/21, Interest Rate 7.3750% Per Annum	24,000
	Heathsouth Corp	Expiry Date 11/01/24, Interest Rate 5.7500% Per Annum	25,000
	Tenneco Inc	Expiry Date 08/15/18, Interest Rate 7.7500% Per Annum	15,000
	Avis Budget Car Rental	Expiry Date 01/15/19, Interest Rate 8.2500% Per Annum	10,000
	Hewlett- Packard Co	Expiry Date 03/01/14, Interest Rate 6.1250% Per Annum	9,000
	Subtotal: Corporate and Foreign Bonds		
	<u>Partnerships:</u>		
	Skybridge Multi Adviser	Partnership	3,421
	CMF Institutional Futures Port LP	Partnership	1,234
	Millenium Fund	Hedge Fund	1,000
	Subtotal: Partnerships		

* (a) Represents a party-in-interest to the Plan.

Schedule H, Line 4i Supplemental Schedule of Assets Held for
Investment Purposes at End of Year (Continued)

(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) No. of Shares or Units
		<u>Money Market Accounts:</u>	
	Northern	Northern Inst'l Diversified Assets-SW	4,061,274
		<u>Common Equity Securities:</u>	
	Prologis	Corporate Stocks	3,907
	DDR Corp	Corporate Stocks	7,414
	Weyerhaeuser Co	Corporate Stocks	4,048
	Ares Capital Corp	Corporate Stocks	5,192
	United Rentals Inc	Corporate Stocks	1,716
	Silgan Hldgs Inc	Corporate Stocks	1,779
	Oasis Petroleum	Corporate Stocks	2,310
	Teleflex Inc	Corporate Stocks	1,027
	Corrections Corp Amer New	Corporate Stocks	2,056
	Wesco International Inc	Corporate Stocks	1,068
	Kar Auction Services Inc	Corporate Stocks	3,309
	Atmos Energy Corp	Corporate Stocks	1,906
	Firstmerit Corporation	Corporate Stocks	4,629
	First Cash Finl Svcs Inc	Corporate Stocks	1,319
	HCC Ins Hldgs Inc	Corporate Stocks	1,744
	Actuant Corp CI A New	Corporate Stocks	2,255
	Packaging Corp of America	Corporate Stocks	1,585
	Valmont Inds Inc Com	Corporate Stocks	442
	Oil Sts Intl Inc	Corporate Stocks	843
	Mastec Inc	Corporate Stocks	2,369
	Associated Banc Corp	Corporate Stocks	4,487
	Microsemi Corp	Corporate Stocks	2,774
	* Towers Watson & Company	Corporate Stocks	1,034
	CNO Financial Group Inc	Corporate Stocks	6,227
	Prosperity Bancshares Inc	Corporate Stocks	1,383
	Webster Finl Corp Waterbury Conn	Corporate Stocks	2,743
	Aarons Inc	Corporate Stocks	1,993

* (a) Represents a party-in-interest to the Plan.

Schedule H, Line 4i Supplemental Schedule of Assets Held for
Investment Purposes at End of Year (Continued)

(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) No. of Shares or Units
	Atlas Air Worldwide Hldgs Inc	Corporate Stocks	1,219
	Group 1 Automotive Inc	Corporate Stocks	866
	Post Holdings Inc	Corporate Stocks	1,562
	Reliance Steel & Aluminum Co	Corporate Stocks	860
	Sirona Dental Systems	Corporate Stocks	823
	Broadridge Finl Solutions Inc	Corporate Stocks	2,317
	LPL Financial Holdings Inc	Corporate Stocks	1,874
	Harman International Inds Inc New	Corporate Stocks	1,168
	Verint Sys Inc	Corporate Stocks	1,734
	Lennox International Inc	Corporate Stocks	952
	Choice Hotels Intl Inc	Corporate Stocks	1,442
	Manhattan Assocs Inc	Corporate Stocks	789
	McGrath Rentcorp	Corporate Stocks	1,594
	Hancock Hldg Co	Corporate Stocks	1,439
	Littelfuse Inc	Corporate Stocks	737
	Semtech Corp	Corporate Stocks	1,559
	Tower Group Inc	Corporate Stocks	2,419
	SS & C Technologies Holdings	Corporate Stocks	1,823
	Dsw Inc-CI A	Corporate Stocks	589
	WD-40 Co.	Corporate Stocks	777
	Mks Instrs Inc	Corporate Stocks	1,408
	Globe Specialty Metals Inc	Corporate Stocks	2,623
	Post Pptys Inc	Corporate Stocks	706
	Kraton Performance Polymers	Corporate Stocks	1,457
	Smith A O Corp	Corporate Stocks	541
	Ryland Group Inc	Corporate Stocks	913
	Hittite Microwave	Corporate Stocks	528
	Wolverine World Wide Inc	Corporate Stocks	794
	Health Care Rlty Tr Inc	Corporate Stocks	1,335
	Precision Drilling Corporation (Canada)	Corporate Stocks	3,527

* (a) Represents a party-in-interest to the Plan.

Schedule H, Line 4i Supplemental Schedule of Assets Held for
Investment Purposes at End of Year (Continued)

(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) No. of Shares or Units
	Skyworks Solutions Inc	Corporate Stocks	1,396
	Lifepoint Hosps Inc	Corporate Stocks	717
	Lithia Motors Inc- Class A	Corporate Stocks	702
	American Equity Invst Life HI	Corporate Stocks	1,973
	Icf International Inc	Corporate Stocks	811
	Jack in The Box	Corporate Stocks	579
	Health Mgmt Assoc Inc New CI A	Corporate Stocks	1,569
	Starwood Hotels & Resorts	Corporate Stocks	248
	Scansource Inc	Corporate Stocks	431
	West Pharmaceutical Service Inc	Corporate Stocks	235
	Graftech International Ltd	Corporate Stocks	1,316
	Fulton Finl Corp Pa	Corporate Stocks	1,254
	Aci Worldwide In	Corporate Stocks	261
	Aspen Insurance	Corporate Stocks	330
	Subtotal: Common Equity Securities		
	<u>Real Estate Investment Trust:</u>		
	Simon Ppty Group Inc New	Real Estate Investment Trust	1,586
	American Tower REIT Inc	Real Estate Investment Trust	2,801
	Avalonbay Communities Inc	Real Estate Investment Trust	1,440
	Ventas Inc	Real Estate Investment Trust	2,198
	Macerich Co Com	Real Estate Investment Trust	2,350
	Essex Ppty Tr Inc Com	Real Estate Investment Trust	900
	Health Care REIT Inc	Real Estate Investment Trust	2,091
	Host Hotels & Resorts, Inc.	Real Estate Investment Trust	8,140
	Udr Inc Reit	Real Estate Investment Trust	4,456
	Equity Residential PropertiesTrust	Real Estate Investment Trust	1,657
	Boston Properties Inc	Real Estate Investment Trust	770
	Vornado Realty Trust	Real Estate Investment Trust	897
	General Growth Properties	Real Estate Investment Trust	3,586
	Kilroy Rlty Corp	Real Estate Investment Trust	1,422

* (a) Represents a party-in-interest to the Plan.

Schedule H, Line 4i Supplemental Schedule of Assets Held for
Investment Purposes at End of Year (Continued)

(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) No. of Shares or Units
	Rayonier Inc	Real Estate Investment Trust	1,297
	Alexandria Real Estate Equities Inc	Real Estate Investment Trust	950
	Digital Realty	Real Estate Investment Trust	961
	Highwoods Properties Inc	Real Estate Investment Trust	1,871
	Duke Realty Corp	Real Estate Investment Trust	4,331
	Dct Industrial Trust Inc Reit	Real Estate Investment Trust	8,633
	SI Green Realty Corp	Real Estate Investment Trust	717
	Cubesmart	Real Estate Investment Trust	2,923
	Senior Housing Properties Trust Reit	Real Estate Investment Trust	1,576
	Acadia Realty Trust	Real Estate Investment Trust	1,379
	Pebblebrook Hotel	Real Estate Investment Trust	1,418
	Public Storage Inc	Real Estate Investment Trust	208
	Cbl & Assoc Pptys Inc	Real Estate Investment Trust	1,402
	Associate Estates Rlty Corp Reit	Real Estate Investment Trust	1,822
	Excel Trust Inc	Real Estate Investment Trust	2,312
	Retail Opportunity Investments	Real Estate Investment Trust	2,275
	Lasalle Hotel Pptys	Real Estate Investment Trust	1,140
	Diamondrock Hospital	Real Estate Investment Trust	2,783
	Hersha Hospitality Trust	Real Estate Investment Trust	4,481
	Piedmont Office A Reit	Real Estate Investment Trust	1,209
	Hudson Pacific Properties	Real Estate Investment Trust	750
	Hcp Inc Reit	Real Estate Investment Trust	297
		Subtotal: Real Estate Investment Trust	
		<u>Preferred Equity Securities:</u>	
	Merrill Lynch Cap Tr III PFD	Corporate Stocks	6,375
		<u>Cash:</u>	
	* First State Trust Company	Cash	
		Total	

* (a) Represents a party-in-interest to the Plan.

Schedule H, Line 4j Supplemental Schedule of Reportable
Transactions for the Year Ended

Reportable transactions for the year ended December 31, 2012

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Identity of	Description of Asset	Purchase	Selling	Lease	Expense	Cost of
Party Involved	(including interest and maturity)	Price	Price	Rental	Incurred With	Assets
					Transaction	
Series of Transactions With Same Broker Exceeds 5% of Value						
Northern	Northern Inst'l Diversified Assets-SW					
	Purchases	31,704,197	-	N/A	-	31,704,197
	Sales	-	30,468,672	N/A	-	30,468,672
Wisdomtree	Wisdomtree Emerging Markets Equity Fund					
	Purchases	2,729,468	-	N/A	-	2,729,468
	Purchases	1,283,089	-	N/A	-	1,283,089