

Form 5500-SF Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Short Form Annual Return/Report of Small Employee Benefit Plan This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500-SF.	OMB Nos. 1210-0110 1210-0089 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 single-employer plan ☐ a multiple-employer plan (not multiemployer) ☐ a one-participant plan
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 Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information						
1a Name of plan <u>SERVICE CHAMPIONS, INC. DEFINED BENEFIT PENSION PLAN</u>	<table border="1"> <tr> <td>1b Three-digit plan number (PN) ▶</td> <td><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/2005</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>01/01/2005</u>			
1b Three-digit plan number (PN) ▶	<u>002</u>						
1c Effective date of plan <u>01/01/2005</u>							
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>SERVICE CHAMPIONS, INC.</u> <u>22911 SAVI RANCH PKWY</u> <u>YORBA LINDA, CA 92887-4640</u>	<table border="1"> <tr> <td>2b Employer Identification Number (EIN)</td> <td><u>33-0896958</u></td> </tr> <tr> <td>2c Sponsor's telephone number</td> <td><u>949-777-7777</u></td> </tr> <tr> <td>2d Business code (see instructions)</td> <td><u>811410</u></td> </tr> </table>	2b Employer Identification Number (EIN)	<u>33-0896958</u>	2c Sponsor's telephone number	<u>949-777-7777</u>	2d Business code (see instructions)	<u>811410</u>
2b Employer Identification Number (EIN)	<u>33-0896958</u>						
2c Sponsor's telephone number	<u>949-777-7777</u>						
2d Business code (see instructions)	<u>811410</u>						
3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address <u>SERVICE CHAMPIONS, INC.</u> <u>22911 SAVI RANCH PKWY</u> <u>YORBA LINDA, CA 92887-4640</u>	<table border="1"> <tr> <td>3b Administrator's EIN</td> <td><u>33-0896958</u></td> </tr> <tr> <td>3c Administrator's telephone number</td> <td><u>949-777-7777</u></td> </tr> </table>	3b Administrator's EIN	<u>33-0896958</u>	3c Administrator's telephone number	<u>949-777-7777</u>		
3b Administrator's EIN	<u>33-0896958</u>						
3c Administrator's telephone number	<u>949-777-7777</u>						
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	<table border="1"> <tr> <td>4b EIN</td> <td></td> </tr> <tr> <td>4c PN</td> <td></td> </tr> </table>	4b EIN		4c PN			
4b EIN							
4c PN							
5a Total number of participants at the beginning of the plan year	5a <u>19</u>						
b Total number of participants at the end of the plan year.....	5b <u>19</u>						
c Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item).....	5c						
6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.)	☒ Yes ☐ No						
b Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.).....	☒ Yes ☐ No						
If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.							

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

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/10/2013</u>	<u>LELAND SMITH</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
Preparer's name (including firm name, if applicable) and address; include room or suite number (optional)			Preparer's telephone number (optional)

Part III Financial Information			
7	Plan Assets and Liabilities		
		(a) Beginning of Year	(b) End of Year
a	Total plan assets	7a 1434676	1731975
b	Total plan liabilities	7b 0	0
c	Net plan assets (subtract line 7b from line 7a)	7c 1434676	1731975
8	Income, Expenses, and Transfers for this Plan Year		
		(a) Amount	(b) Total
a	Contributions received or receivable from:		
(1)	Employers	8a(1) 75000	
(2)	Participants	8a(2) 0	
(3)	Others (including rollovers)	8a(3) 0	
b	Other income (loss)	8b 225638	
c	Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c	300638
d	Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d 0	
e	Certain deemed and/or corrective distributions (see instructions)	8e 0	
f	Administrative service providers (salaries, fees, commissions)	8f 0	
g	Other expenses	8g 3339	
h	Total expenses (add lines 8d, 8e, 8f, and 8g)	8h	3339
i	Net income (loss) (subtract line 8h from line 8c)	8i	297299
j	Transfers to (from) the plan (see instructions)	8j 0	

Part IV Plan Characteristics	
9a	If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: 1A 1D 1G
b	If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions				
10	During the plan year:	Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a	X	
b	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b	X	
c	Was the plan covered by a fidelity bond?	10c	X	80000
d	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d	X	
e	Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e	X	
f	Has the plan failed to provide any benefit when due under the plan?	10f	X	
g	Did the plan have any participant loans? (If "Yes," enter amount as of year end.)	10g	X	
h	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h		
i	If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i		

Part VI Pension Funding Compliance			
11	Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and line 11a below)	☒ Yes ☐ No	
11a	Enter the amount from Schedule SB line 39	11a	0
12	Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? ..	☐ Yes ☒ No	
(If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.)			
a	If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and enter the date of the letter ruling granting the waiver. Month Day Year		
If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.			
b	Enter the minimum required contribution for this plan year	12b	

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

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year?	☒ Yes ☐ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year	13a 0
b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....	☐ Yes ☒ No
c If during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)	
13c(1) Name of plan(s):	13c(2) EIN(s)
	13c(3) PN(s)

Part VIII Trust Information (optional)

14a Name of trust	14b Trust's EIN

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

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

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

A Name of plan <u>SERVICE CHAMPIONS, INC. 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>SERVICE CHAMPIONS, INC.</u>	D Employer Identification Number (EIN) <u>33-0896958</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>1432738</u>
b Actuarial value	2b <u>1432738</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>0</u>
b For terminated vested participants.....	3b <u>0</u>
c For active participants:	
(1) Non-vested benefits.....	3c(1) <u>0</u>
(2) Vested benefits.....	3c(2) <u>1770864</u>
(3) Total active	3c(3) <u>19</u>
d Total	3d <u>19</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>4.96 %</u>
6 Target normal cost.....	6 <u>0</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>10/02/2013</u>
Signature of actuary		Date
<u>JAY S. LORENTSON, M.S.P.A.</u>		<u>11-04259</u>
Type or print name of actuary		Most recent enrollment number
<u>UNITED RETIREMENT PLAN CONSULTANTS</u>		<u>310-577-1444</u>
Firm name		Telephone number (including area code)
<u>4640 ADMIRALTY WAY</u>		
<u>SUITE 900</u>		
<u>MARINA DEL REY, CA 90292</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	72
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	72
10 Interest on line 9 using prior year's actual return of <u>-5.09%</u>	0	-4
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		1610
b Interest on (a) using prior year's effective interest rate of <u>5.82%</u> except as otherwise provided (see instructions)		94
c Total available at beginning of current plan year to add to prefunding balance		1704
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	68

Part III Funding Percentages		
14 Funding target attainment percentage	14	80.90 %
15 Adjusted funding target attainment percentage	15	80.90 %
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	86.86 %
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
09/11/2013	75000	0			
			Totals ►	18(b)	75000 18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	67256
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No	
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☒ No	
c If line 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

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

21 Discount rate:				
a Segment rates:	1st segment: 1.98%	2nd segment: 5.07%	3rd segment: 6.19 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 0
22 Weighted average retirement age				22 60
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	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	0	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	338194	66954	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	66954	
	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	66954	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	67256	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	302	
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	

SERVICE CHAMPIONS, INC.**DEFINED BENEFIT PENSION PLAN**

Schedule of Active Participant Data

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

Valuation Date: 1/1/2012

Svc/ Age	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
<25	0	1	0	0	0	0	0	0	0	0	1
25-29	0	4	0	0	0	0	0	0	0	0	4
30-34	0	2	3	0	0	0	0	0	0	0	5
35-39	0	1	2	0	0	0	0	0	0	0	3
40-44	0	0	1	0	0	0	0	0	0	0	1
45-49	0	0	2	0	0	0	0	0	0	0	2
50-54	0	0	0	0	0	0	0	0	0	0	0
55-59	0	0	2	0	0	0	0	0	0	0	2
60-64	0	1	0	0	0	0	0	0	0	0	1
65-69	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0
Total	0	9	10	0	0	0	0	0	0	0	19

*Employees who have not met the minimum eligibility requirements are excluded

Average Age: 38.2

Average Service: 5

SERVICE CHAMPIONS, INC.
DEFINED BENEFIT PENSION PLAN

Statement of Actuarial Assumptions and Method

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

Valuation Date: 1/1/2012

	<u>For Funding</u>		<u>For 417(e)</u>	<u>For Actuarial Equiv.</u>
	<u>Min</u>	<u>Max</u>		
Interest Rates	Seg 1	1.98% 1.98%	Seg 1	2.07%
				Pre-Retirement 5.50%
	Seg 2	5.07% 5.07%	Seg 2	4.45%
				Post-Retirement 5.50%
	Seg 3	6.19% 6.19%	Seg 3	5.24%
Pre-Retirement				
Turnover	None		None	None
Mortality	None		None	None
Assumed Ret Age	Early retirement age Attainment of Age 60 5 years of participation		Early retirement age Attainment of Age 60 5 years of participation	Early retirement age Attainment of Age 60 5 years of participation
Post-Retirement				
Mortality	2012 417(e) APPLICABLE MORTALITY TABLE		2011 417(e) APPLICABLE MORTALITY TABLE	1994 GROUP ANNUITY RESERVING TABLE, PROJECTED TO THE YEAR 2002
Assumed Benefit Form For Funding			Lump Sum	
Calculated Effective Interest Rate			4.96%	

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

SCHEDULE SB (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>	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.	<small>OMB No. 1210-0110</small> 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.**

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A Name of plan SERVICE CHAMPIONS, INC. 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 SERVICE CHAMPIONS, INC.	D Employer Identification Number (EIN) 33-0896958	
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	1432738	
b Actuarial value	2b	1432738	
3 Funding target/participant count breakdown:			
	(1) Number of participants	(2) Funding Target	
a For retired participants and beneficiaries receiving payment.....	3a	0	0
b For terminated vested participants.....	3b	0	0
c For active participants:			
(1) Non-vested benefits	3c(1)		0
(2) Vested benefits	3c(2)		1770864
(3) Total active	3c(3)	19	1770864
d Total	3d	19	1770864
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	0	
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	0	
5 Effective interest rate	5	4.96%	
6 Target normal cost	6	0	

Statement by Enrolled Actuary

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

SIGN HERE	 Signature of actuary JAY S. LORENTSON, M.S.P.A. Type or print name of actuary UNITED RETIREMENT PLAN CONSULTANTS Firm name 4640 ADMIRALTY WAY SUITE 900 MARINA DEL REY CA 90292 Address of the firm	 Date 1104259 Most recent enrollment number 310-577-1444 Telephone number (including area code)
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2012
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	72
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	72
10	Interest on line 9 using prior year's actual return of <u>-5.09%</u>	0	-4
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		1610
	b Interest on (a) using prior year's effective interest rate of <u>5.82%</u> except as otherwise provided (see instructions)		94
	c Total available at beginning of current plan year to add to prefunding balance		1704
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	68

Part III	Funding Percentages		
14	Funding target attainment percentage	14	80.90 %
15	Adjusted funding target attainment percentage	15	80.90 %
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	86.86 %
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	
09/11/2013	75000	0				
Totals ▶			18(b)	75000	18(c)	
					0	

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:			
a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0	
b Contributions made to avoid restrictions adjusted to valuation date	19b	0	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	67256	
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

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

21 Discount rate:			
a Segment rates:	1st segment: 1.98%	2nd segment: 5.07%	3rd segment: 6.19%
	☐ N/A, full yield curve used		
b Applicable month (enter code).....	21b		0
22 Weighted average retirement age	22		60
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	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	0	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	338194	66954	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	66954	
	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	66954	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	67256	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	302	
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	

Attachment to 2012 Schedule SB, Line 22
Description of Weighted Average Retirement Age

Plan Name:	SERVICE CHAMPIONS, INC. DEFINED BENEFIT PENSION PLAN
EIN:	33-0896958
PN:	002
Plan Year End:	12/31/2012
Valuation Date:	1/1/2012

Line 22. Weighted Average Retirement Age.

62 is the age specified in the plan document as the Normal Retirement Age.

60 is the age specified in the plan document as the Unreduced Early Retirement Age.

The benefit payable at early retirement age is the accrued benefit unreduced for early commencement

Therefore, each participant is assumed to retire at his/her unreduced early retirement age.

Attachment to 2012 Schedule SB, Line 19
Discounted Employer Contributions

Plan Name: SERVICE CHAMPIONS, INC.
DEFINED BENEFIT PENSION PLAN

EIN: 33-0896958
PN: 002
Plan Year End: 12/31/2012
Valuation Date: 1/1/2012

Effective Interest Rate: 4.96% Increased Rate for Late Quarterly Deposits: 9.96%
Actual Return on Assets: 15.88% Required Quarterly Installments: 10,742

Contributions and Balances for Plan Year Ending 12/31/2012

Allocated Toward Prior Unpaid Minimum Required					Made to Avoid Benefit Restrictions		Allocated Toward Current Plan Year			
Contribution Or Election Dates	Amount Paid By Employer(s)	Plan Year	Eff Int Rate	Discounted Value	Amount Paid By Employer(s)	Discounted Value	Source	Amount Contributed or Elected	# days to BOY	Discounted Value
9/11/2013				0		0	Contribution	75,000	619	67,256
				0		0			0	-
				0		0				67,256

Subtotal by Type of Contributions and Balances for Plan Year Ending 12/31/2012

Contribution	75,000	67,256
Carry Over Balance	0	0
Prefunding Balance	0	0

Amount Available at Beginning of Next Plan Year to add to Pre-Funding Balance

	<u>As of ValDate</u>	<u>Rate</u>	<u>Election</u>
Amount from use of Balances	0	15.88%	0
Amount from excess contribution	302	4.96%	317
Total Amount Available	302		317

Schedule SB Entries:

		<u>Carryover Balance</u>	<u>Prefunding Balance</u>	<u>TOTAL</u>
Current Year Line 34	Total funding requirement before reflecting carryover/prefunding balances			66,954
Current Year Line 35	Balances used to offset funding requirement [reflect discounting]	0	0	0
Current Year Line 36	Additional Cash Requirement			66,954
Current Year Line 37	Contributions allocated toward minimum required contribution for current year			67,256
Current Year Line 38	Interest-adjusted Excess Contribution for Current Year			302
Next Year Line 7	Balance at beginning of prior year after applicable adjustments	0	68	
Next Year Line 8	Portion used to offset prior year's funding requirement [no discounting]	0	0	
Next Year Line 9	Amount remaining	0	68	
Next Year Line 10	Interest on item 9 using prior year's actual return of 15.88%	0	11	
Next Year Line 11	Prior year's excess contributions to be added to prefunding balance:			
Next Year Line 11a	Excess contributions		302	
Next Year Line 11b	Interest on (a)		15	
Next Year Line 11c	Total available at beginning of current plan year to add to prefunding balance		317	
Next Year Line 11d	Portion of (c) to be added to prefunding balance		317	

SERVICE CHAMPIONS, INC.
DEFINED BENEFIT PENSION PLAN

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

Plan Effective Date	January 1, 2005
Plan Year	From January 1 to December 31
Eligibility	<p>All employees not excluded by class are eligible to enter on the January 1 or July 1 coincident with or following the completion of the following requirements:</p> <p style="margin-left: 40px;">1 year of service Minimum age 21</p> <p>Exclusion by name. Effective 1/1/2010 benefit accruals shall cease. There shall be no additional entry dates into the plan.</p>
Normal Retirement Age	<p>All participants are eligible to retire with their full retirement benefit on the later of the following:</p> <p style="margin-left: 40px;">Attainment of age 62 Completion of 5 years of service</p>
Normal Retirement Benefit	<p>Upon normal retirement each participant will be entitled to a benefit payable in the normal form equal to the following:</p> <p style="margin-left: 40px;">Maximum benefit is \$16,250 per month Maximum percent of salary is 100%</p> <p>Benefit is based on average salary during the highest 3 consecutive years of employment</p>
Early Retirement Age	<p>Attainment of age 60</p> <p>5 years of participation</p>
Early Retirement Benefit	Accrued Benefit
Normal Form of Benefit	A benefit payable for the life of the participant
Accrued Benefit	The normal retirement benefit described above calculated based on salary and/or service on the calculation date, and payable on the normal retirement date.
Termination Benefit	<p>Upon termination for any reason other than death, disability or retirement a participant shall be entitled to a portion of the actuarial equivalent of his accrued benefit in accordance with the following vesting schedule:</p>

Credited Years
1

Vested Percent
0

SERVICE CHAMPIONS, INC.
DEFINED BENEFIT PENSION PLAN

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

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

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

Years with less than 1,000 hours

Top-Heavy Status

A plan is top-heavy if over 60% of the value of all accrued benefits in all of the employer's plans are for the benefit of key employees. A key employee is generally an officer or owner of the company. This plan is currently not top-heavy.

Death Benefit

Actuarial Equivalent of the accrued benefit earned to date of death

SERVICE CHAMPIONS, INC.
DEFINED BENEFIT PENSION PLAN

EIN: 33-0896958 PN: 002

2012 Schedule SB Attachment
Optional Forms of Benefit

The plan's normal form of payment is a Life Only annuity, payable for the life of the participant.

For married participants, the actuarial equivalence of this benefit will be paid in the form of a Joint and 50% Survivor annuity unless the participant elects a different form of payment and the spouse consents in writing. This benefit is payable for the life of the participant, with 50% payable to the surviving spouse for his/her lifetime. Payments cease on the death of the participant and spouse.

The following forms of payment are also available:

Life With 5 Years Certain	Payable for the life of the participant. If the participant dies before receiving payments for 5 full years, payments will continue to his/her surviving beneficiary for the remainder of the 5-year period and then stop.
Life With 10 Years Certain	Payable for the life of the participant. If the participant dies before receiving payments for 10 full years, payments will continue to his/her surviving beneficiary for the remainder of the 10-year period and then stop.
Life With 15 Years Certain	Payable for the life of the participant. If the participant dies before receiving payments for 15 full years, payments will continue to his/her surviving beneficiary for the remainder of the 15-year period and then stop.
Life With 20 Years Certain	Payable for the life of the participant. If the participant dies before receiving payments for 20 full years, payments will continue to his/her surviving beneficiary for the remainder of the 20-year period and then stop.
Joint and 100% Survivor	Payable for the life of the participant and his/her beneficiary. Payments cease on the death of both.
Joint and 75% Survivor	Payable for the life of the participant. If the participant dies before his/her beneficiary, 75% of the benefit will continue for the life of the beneficiary.
Joint and 66.67% Survivor	Payable for the life of the participant. If the participant dies before his/her beneficiary, 66.67% of the benefit will continue for the life of the beneficiary.
Joint and 50% Survivor	Payable for the life of the participant. If the participant dies before his/her beneficiary, 50% of the benefit will continue for the life of the beneficiary.
Installments	Periodic payments for a time period selected by the participant. If the participant dies before the end of the selected time period, payments will continue to his/her surviving beneficiary. All payments cease at the end of the selected time period. This is not a lifetime payment option.
Single Lump Sum	This is a one-time payment of the lump sum equivalent of the plan's normal form of benefit.

Attachment to 2012 Schedule SB, Line 32
Schedule of Amortization Bases

Plan Name: SERVICE CHAMPIONS, INC.
DEFINED BENEFIT PENSION PLAN

EIN: 33-0896958
PN: 002
Plan Year End: 12/31/2012
Valuation Date: 1/1/2012

Prior Year Amounts

<u>Year</u>	<u>Installment</u>	<u>Number of Future Installments</u>	<u>Value of Future Installments</u>
One Year Prior	23,140	6	129,364
Two Years Prior	(21,762)	5	(104,666)
Three Years Prior	41,590	4	161,577
Four Years Prior	-	3	-
Five Years Prior	-	2	-
Six Years Prior	-	1	-

Current Year Calculation

Adjusted Funding Shortfall	\$ 338,194
Value of Future Installments on Prior year Bases	\$ 186,276
Current Year Shortfall Amortization Base	\$ 151,918

Shortfall Amortization Base is established this year.

Current Year Shortfall 7 Year Amortization

Factor	6.334
Installment	\$ 23,986
Total of All Shortfall Amortization Installments (not less than 0)	\$ 66,954