# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

**2012**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

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

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

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

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

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

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
FORTEC MEDICAL, INC. 401K PROFIT SHARING AND TRUST

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

**1c** Effective date of plan 01/01/1991

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

FORTEC MEDICAL, INC.

10125 WELLMAN ROAD
STREETSBORO, OH 44241

**2b** Employer Identification Number (EIN) 34-1662721

**2c** Sponsor's telephone number 330-463-1265

**2d** Business code (see instructions) 621399

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

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

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/11/2013 | JOANN VOSBURGH |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/11/2013 | JOANN VOSBURGH |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

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

Preparer's telephone number (optional)

**3a** Plan administrator's name and address [X] Same as Plan Sponsor Name [ ] Same as Plan Sponsor Address

**3b** Administrator's EIN

**3c** Administrator's telephone number

**4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

**a** Sponsor's name

**4b** EIN

**4c** PN

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 219 |
| **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** | 233 |
| **b** | Retired or separated participants receiving benefits | **6b** | 0 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 20 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 253 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 253 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 208 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 2 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

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

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

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

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

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

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

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

**a Pension Schedules**

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

**b General Schedules**

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

# SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Insurance Information

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

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

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

**2012**

**This Form is Open to Public Inspection**

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

**A** Name of plan
FORTEC MEDICAL, INC. 401K PROFIT SHARING AND TRUST

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
FORTEC MEDICAL, INC.

**D** Employer Identification Number (EIN)
34-1662721

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

**1** Coverage Information:

**(a)** Name of insurance carrier

ING LIFE INSURANCE & ANNUITY COMPANY

| **(b)** EIN | **(c)** NAIC code | **(d)** Contract or identification number | **(e)** Approximate number of persons covered at end of policy or contract year | Policy or contract year | |
|---|---|---|---|---|---|
| | | | | **(f)** From | **(g)** To |
| 71-0294708 | 86509 | ZH9236 | 253 | 01/01/2012 | 12/31/2012 |

**2** Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

| **(a)** Total amount of commissions paid | **(b)** Total amount of fees paid |
|---|---|
| 33608 | 0 |

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

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

CONCEPCION JEFFREY A
STE 100 30575 BAINBRIDGE RD
SOLON, OH 44139

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| 33608 | 0 | | 3 |

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

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

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

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

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

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

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

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

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

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

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

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

## Part II Investment and Annuity Contract Information

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

| | | | |
|---|---|---|---|
| 4 | Current value of plan's interest under this contract in the general account at year end | 4 | 391761 |
| 5 | Current value of plan's interest under this contract in separate accounts at year end | 5 | 9056952 |

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

| | | | |
|---|---|---|---|
| b | Premiums paid to carrier | 6b | |
| c | Premiums due but unpaid at the end of the year | 6c | |
| d | If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. | 6d | |

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ GROUP PENSION FUNDING

| | | | | | |
|---|---|---|---|---|---|
| b | Balance at the end of the previous year | | | 7b | 404599 |
| c | Additions: (1) Contributions deposited during the year | 7c(1) | 76678 | | |
| | (2) Dividends and credits | 7c(2) | | | |
| | (3) Interest credited during the year | 7c(3) | 11539 | | |
| | (4) Transferred from separate account | 7c(4) | | | |
| | (5) Other (specify below) | 7c(5) | 7539 | | |
| | ▶ LOAN REPAYMENTS | | | | |
| | (6) Total additions | | | 7c(6) | 95756 |
| d | Total of balance and additions (add lines **7b** and **7c(6)**). | | | 7d | 500355 |
| e | Deductions: | | | | |
| | (1) Disbursed from fund to pay benefits or purchase annuities during year | 7e(1) | 100007 | | |
| | (2) Administration charge made by carrier | 7e(2) | 264 | | |
| | (3) Transferred to separate account | 7e(3) | 8945 | | |
| | (4) Other (specify below) | 7e(4) | 35490 | | |
| | ▶ NEW EE LOANS MISCELLANEOUS ADJUSTMENTS | | | | |
| | (5) Total deductions | | | 7e(5) | 144706 |
| f | Balance at the end of the current year (subtract line **7e(5)** from line **7d**) | | | 7f | 355649 |

## Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

**8** Benefit and contract type (check all applicable boxes)

**a** ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance

**e** ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug

**i** ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract

**m** ☐ Other (specify) ▶

| | | | | |
|---|---|---|---|---|
| **9** Experience-rated contracts: | | | | |
| **a** Premiums: (1) Amount received | **9a(1)** | | | |
| (2) Increase (decrease) in amount due but unpaid | **9a(2)** | | | |
| (3) Increase (decrease) in unearned premium reserve | **9a(3)** | | | |
| (4) Earned (**(1)** + **(2)** - **(3)**) | | | **9a(4)** | |
| **b** Benefit charges (1) Claims paid | **9b(1)** | | | |
| (2) Increase (decrease) in claim reserves | **9b(2)** | | | |
| (3) Incurred claims (add **(1)** and **(2)**) | | | **9b(3)** | |
| (4) Claims charged | | | **9b(4)** | |
| **c** Remainder of premium: (1) Retention charges (on an accrual basis) -- | | | | |
| (A) Commissions | **9c(1)(A)** | | | |
| (B) Administrative service or other fees | **9c(1)(B)** | | | |
| (C) Other specific acquisition costs | **9c(1)(C)** | | | |
| (D) Other expenses | **9c(1)(D)** | | | |
| (E) Taxes | **9c(1)(E)** | | | |
| (F) Charges for risks or other contingencies | **9c(1)(F)** | | | |
| (G) Other retention charges | **9c(1)(G)** | | | |
| (H) Total retention | | | **9c(1)(H)** | |
| (2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.) | | | **9c(2)** | |
| **d** Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement | | | **9d(1)** | |
| (2) Claim reserves | | | **9d(2)** | |
| (3) Other reserves | | | **9d(3)** | |
| **e** Dividends or retroactive rate refunds due. (Do not include amount entered in line **9c(2)**.) | | | **9e** | |
| **10** Nonexperience-rated contracts: | | | | |
| **a** Total premiums or subscription charges paid to carrier | | | **10a** | |
| **b** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. | | | **10b** | |

Specify nature of costs ▶

## Part IV Provision of Information

**11** Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

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

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

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

**A** Name of plan
FORTEC MEDICAL, INC. 401K PROFIT SHARING AND TRUST

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
FORTEC MEDICAL, INC.

**D** Employer Identification Number (EIN)
34-1662721

## 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)

ING LIFE INSURANCE AND ANNUITY CO.

71-0294708

| (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? |
|---|---|---|---|---|---|---|
| 26 60 64 65 66 | SERVICE PROVIDER | 2779 | Yes [X] No [ ] | Yes [X] No [ ] | 76659 | Yes [ ] No [X] |

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

ING MUTUAL FUNDS

95-4516049

| (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 52 63 | INVESTMENT PROD. PROVIDER | 0 | Yes [X] No [ ] | Yes [ ] No [X] | 51116 | Yes [ ] No [X] |

**(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 |
|---|---|---|
| ING LIFE INSURANCE AND ANNUITY CO. | 60 66 | 1205 |

| **(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. |
|---|---|
| CRM MID CAP VALUE FUND INV<br><br>01-0513518 | SUB-TRANSFER/REIMBURSEMENT FEES INSURANCE MORTALITY AND EXPENSE CHARGE INSURANCE MORTALITY AND EXPENSE CHARGE |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ING LIFE INSURANCE AND ANNUITY CO. | 60 66 | 1140 |

| **(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. |
|---|---|
| DODGE & COX INTERNATIONAL STOCK FUN<br><br>94-3390852 | SUB-TRANSFER/REIMBURSEMENT FEES INSURANCE MORTALITY AND EXPENSE CHARGE |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ING LIFE INSURANCE AND ANNUITY CO. | 60 66 | 1416 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| FRANKLIN SMALL CAP VALUE FUND 2<br><br>13-3151768 | SUB-TRANSFER/REIMBURSEMENT FEES INSURANCE MORTALITY AND EXPENSE CHARGE |

## 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 |
|---|---|---|
| ING LIFE INSURANCE AND ANNUITY CO. | 60 65 66 | 6715 |
| **(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. | |
| ING FIDELITY VIP CONTRAFUND PORT SR<br><br>20-1351800 | SUB-TRANSFER/REIMBURSEMENT FEES ACCOUNT MAINTENANCE FEES INSURANCE MORTALITY AND EXPENSE CHARGE | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ING LIFE INSURANCE AND ANNUITY CO. | 64 | 2222 |
| **(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. | |
| ING FIXED ACCOUNT<br><br>71-0294708 | RECORD-KEEPING FEES | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ING LIFE INSURANCE AND ANNUITY CO. | 60 66 | 2725 |
| **(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. | |
| ING GLOBAL BOND PORT I<br><br>20-1544721 | SUB-TRANSFER/REIMBURSEMENT FEES INSURANCE MORTALITY AND EXPENSE CHARGE | |

## 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 |
|---|---|---|
| ING LIFE INSURANCE AND ANNUITY CO. | 60 66 | 2240 |
| **(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. | |
| ING INVESCO EQTY & INC PORT I<br>52-2354153 | SUB-TRANSFER/REIMBURSEMENT FEES INSURANCE MORTALITY AND EXPENSE CHARGE | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ING LIFE INSURANCE AND ANNUITY CO. | 60 66 | 2350 |
| **(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. | |
| ING JPMORGAN MID CAP VAL PORT I<br>75-3023510 | SUB-TRANSFER/REIMBURSEMENT FEES INSURANCE MORTALITY AND EXPENSE CHARGE | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ING LIFE INSURANCE AND ANNUITY CO. | 60 66 | 8275 |
| **(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. | |
| ING OPPENHMR GLOBAL PORT I<br>75-3023503 | SUB-TRANSFER/REIMBURSEMENT FEES INSURANCE MORTALITY AND EXPENSE CHARGE | |

## 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 |
|---|---|---|
| ING LIFE INSURANCE AND ANNUITY CO. | 60 66 | 6249 |

| **(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. |
|---|---|
| ING PIMCO TOTAL RETURN PORTFOLIO I<br><br>75-3023517 | SUB-TRANSFER/REIMBURSEMENT FEES INSURANCE MORTALITY AND EXPENSE CHARGE |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ING LIFE INSURANCE AND ANNUITY CO. | 60 66 | 1065 |

| **(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. |
|---|---|
| ING RUSSELL MID CAP INDEX PORT I<br><br>26-1751794 | SUB-TRANSFER/REIMBURSEMENT FEES INSURANCE MORTALITY AND EXPENSE CHARGE |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ING LIFE INSURANCE AND ANNUITY CO. | 60 66 | 2204 |

| **(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. |
|---|---|
| ING RUSSELL SM CP INDEX PORT I<br><br>26-1751874 | SUB-TRANSFER/REIMBURSEMENT FEES INSURANCE MORTALITY AND EXPENSE CHARGE |

## 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 |
|---|---|---|
| ING LIFE INSURANCE AND ANNUITY CO. | 60 65 66 | 2523 |

| **(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. |
|---|---|
| ING SOLUTION 2025 PORTFOLIO ADV<br><br>47-0951928 | SUB-TRANSFER/REIMBURSEMENT FEES ACCOUNT MAINTENANCE FEES INSURANCE MORTALITY AND EXPENSE CHARGE |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ING LIFE INSURANCE AND ANNUITY CO. | 60 65 66 | 2748 |

| **(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. |
|---|---|
| ING SOLUTION 2035 PORTFOLIO ADV<br><br>20-2456104 | SUB-TRANSFER/REIMBURSEMENT FEES ACCOUNT MAINTENANCE FEES INSURANCE MORTALITY AND EXPENSE CHARGE |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ING LIFE INSURANCE AND ANNUITY CO. | 60 65 66 | 2282 |

| **(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. |
|---|---|
| ING SOLUTION 2045 PORTFOLIO ADV<br><br>20-2456138 | SUB-TRANSFER/REIMBURSEMENT FEES ACCOUNT MAINTENANCE FEES INSURANCE MORTALITY AND EXPENSE CHARGE |

## 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 |
|---|---|---|
| ING LIFE INSURANCE AND ANNUITY CO. | 60 66 | 8610 |
| **(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. | |
| ING TROWEPRICE GRWTH EQTY PORT I<br><br>06-1496081 | SUB-TRANSFER/REIMBURSEMENT FEES INSURANCE MORTALITY AND EXPENSE CHARGE | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ING LIFE INSURANCE AND ANNUITY CO. | 60 66 | 1193 |
| **(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. | |
| ING U.S. STOCK INDEX PORTFOLIO INST<br><br>55-0839540 | SUB-TRANSFER/REIMBURSEMENT FEES INSURANCE MORTALITY AND EXPENSE CHARGE | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ING LIFE INSURANCE AND ANNUITY CO. | 60 66 | 4265 |
| **(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. | |
| MANN & NAPIER FUND EQTY SRS<br><br>16-0995736 | SUB-TRANSFER/REIMBURSEMENT FEES INSURANCE MORTALITY AND EXPENSE CHARGE | |

## 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 |
|---|---|---|
| ING LIFE INSURANCE AND ANNUITY CO. | 66 | 10964 |

| **(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. |
|---|---|
| VANGUARD VIF - DIVERSIFIED VAL PORT<br><br>23-1945930 | INSURANCE MORTALITY AND EXPENSE CHARGE |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ING MUTUAL FUNDS | 28 52 63 | 7940 |

| **(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. |
|---|---|
| ING FIDELITY VIP CONTRAFUND PORT SR<br><br>20-1351800 | INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ING MUTUAL FUNDS | 28 52 | 1599 |

| **(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. |
|---|---|
| ING GLOBAL BOND PORT I<br><br>20-1544721 | INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES |

## 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 |
|---|---|---|
| ING MUTUAL FUNDS | 28 52 | 1619 |
| **(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. | |
| ING INVESCO EQTY & INC PORT I<br>52-2354153 | INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ING MUTUAL FUNDS | 28 52 | 2443 |
| **(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. | |
| ING JPMORGAN MID CAP VAL PORT I<br>75-3023510 | INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ING MUTUAL FUNDS | 28 52 | 6560 |
| **(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. | |
| ING OPPENHMR GLOBAL PORT I<br>75-3023503 | INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES | |

## 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 |
|---|---|---|
| ING MUTUAL FUNDS | 28 52 | 4009 |

| **(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. |
|---|---|
| ING PIMCO TOTAL RETURN PORTFOLIO I<br><br>75-3023517 | INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ING MUTUAL FUNDS | 28 52 | 1014 |

| **(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. |
|---|---|
| ING RUSSELL SM CP INDEX PORT I<br><br>26-1751874 | INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ING MUTUAL FUNDS | 28 52 63 | 1003 |

| **(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. |
|---|---|
| ING SOLUTION 2015 PORTFOLIO ADV<br><br>20-2456044 | INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES |

## 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 |
|---|---|---|
| ING MUTUAL FUNDS | 28 52 63 | 4176 |

| **(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. |
|---|---|
| ING SOLUTION 2025 PORTFOLIO ADV<br><br>47-0951928 | INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ING MUTUAL FUNDS | 28 52 63 | 4739 |

| **(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. |
|---|---|
| ING SOLUTION 2035 PORTFOLIO ADV<br><br>20-2456104 | INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| ING MUTUAL FUNDS | 28 52 63 | 3981 |

| **(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. |
|---|---|
| ING SOLUTION 2045 PORTFOLIO ADV<br><br>20-2456138 | INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES 12B-1 DISTRIBUTION FEES |

## 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 |
|---|---|---|
| ING MUTUAL FUNDS | 28 52 | 6975 |
| **(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. | |
| ING TROWEPRICE GRWTH EQTY PORT I<br><br>06-1496081 | INVESTMENT MANAGEMENT INVESTMENT MANAGEMENT FEES | |

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

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

## Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan Information

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

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

OMB No. 1210-0110

**2012**

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

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

**A** Name of plan
FORTEC MEDICAL, INC. 401K PROFIT SHARING AND TRUST

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

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
FORTEC MEDICAL, INC.

**D** Employer Identification Number (EIN)
34-1662721

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VARIABLE ANNUITY ACCOUNT D

**b** Name of sponsor of entity listed in (a): ING LIFE INSURANCE AND ANNUITY COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 71-0294708-000 | P | 9056952 |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

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

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

OMB No. 1210-0110

**2012**

**This Form is Open to Public Inspection**

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

**A** Name of plan
FORTEC MEDICAL, INC. 401K PROFIT SHARING AND TRUST

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
FORTEC MEDICAL, INC.

**D** Employer Identification Number (EIN)
34-1662721

## Part I Asset and Liability Statement

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | | |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | | |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | | |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | 179566 | 257031 |
| **(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) | 6953278 | 9056952 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | 404599 | 355649 |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | | |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 7537443 | 9669632 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 7537443 | 9669632 |

## 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) | 448492 | |
| | **(B)** Participants | 2a(1)(B) | 704546 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 122555 | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 1275593 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | | |
| | **(B)** U.S. Government securities | 2b(1)(B) | | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | 9131 | |
| | **(F)** Other | 2b(1)(F) | 11539 | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 20670 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 0 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | 1085951 |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | |
| c Other income | 2c | | 8 |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 2382222 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 239912 | |
| (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) | | 239912 |
| f Corrective distributions (see instructions) | 2f | | 7342 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | |
| i Administrative expenses: **(1)** Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | 2779 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 2779 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 250033 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 2132189 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

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

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

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

**(1)** Name: SS & G,INC. **(2)** EIN: 34-1945695

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

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

## Part IV Compliance Questions

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

During the plan year:

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

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

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

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

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

## Part V Trust Information (optional)

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

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

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

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

OMB No. 1210-0110

**2012**

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

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

**A** Name of plan
FORTEC MEDICAL, INC. 401K PROFIT SHARING AND TRUST

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
FORTEC MEDICAL, INC.

**D** Employer Identification Number (EIN)
34-1662721

## 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): 71-0294708

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

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

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

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

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

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

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

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

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

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

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

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

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

## Part III Amendments

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

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

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

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

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

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

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

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

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# FORTEC MEDICAL, INC.
# 401(k) PROFIT SHARING AND TRUST

*FINANCIAL STATEMENTS*

*FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011*

# FORTEC MEDICAL, INC. 401(k) PROFIT SHARING AND TRUST

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SS&G
Certified Public Accountants and Advisers

# INDEPENDENT AUDITORS' REPORT

Akron Office
301 Springside Drive
Akron, OH 44333
330-668-9696
fax: 330-668-2538
www.SSandG.com

To The Plan Trustees
ForTec Medical, Inc. 401(k) Profit Sharing and Trust

## Report on the Financial Statements

We were engaged to audit the accompanying financial statements of ForTec Medical, Inc. 401(k) Profit Sharing and Trust (the Plan), which comprise the statements of net assets available for benefits - modified cash basis as of December 31, 2012 and 2011, the related statements of changes in net assets available for benefits - modified cash basis for the years then ended, and the related notes to the financial statements.

## Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note B; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Plan management is also responsible for 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 audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

## Basis for Disclaimer of Opinion

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

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

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

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

**Basis of Accounting**
We draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements and supplemental schedule were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Our opinion is not modified with respect to that matter.

SS&G

www.SSandG.com

October 8, 2013

## FORTEC MEDICAL, INC. 401(k) PROFIT SHARING AND TRUST

## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS - MODIFIED CASH BASIS

| | DECEMBER 31, | |
|---|---|---|
| | **2012** | 2011 |
| ASSETS | | |
| Investments, at fair value: | | |
| Pooled separate accounts | **$ 9,056,952** | $ 6,953,278 |
| Guaranteed investment contract | **391,762** | 434,519 |
| Total investments | **9,448,714** | 7,387,797 |
| Receivables: | | |
| Notes receivable from participants | **257,031** | 179,566 |
| Net assets available for benefits at fair value | **9,705,745** | 7,567,363 |
| Adjustment from fair value to contract value for interest in common/collective trust relating to fully benefit-responsive investment contracts | **(36,113)** | (29,920) |
| Net assets available for benefits | **$ 9,669,632** | $ 7,537,443 |

*See accompanying notes to financial statements.*

# FORTEC MEDICAL, INC. 401(k) PROFIT SHARING AND TRUST

## STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - MODIFIED CASH BASIS

| | FOR THE YEARS ENDED DECEMBER 31, | |
|---|---|---|
| | **2012** | 2011 |
| INCREASE IN NET ASSETS ATTRIBUTED TO: | | |
| Investment income: | | |
| Net appreciation in fair value of investments | **$ 1,085,959** | $ - |
| Dividends and interest | **11,539** | 10,669 |
| | **1,097,498** | 10,669 |
| Interest income on notes receivable from participants | **9,131** | 6,977 |
| Contributions: | | |
| Employee | **704,546** | 606,446 |
| Employer | **448,492** | 298,678 |
| Rollovers | **122,555** | 20,701 |
| | **1,275,593** | 925,825 |
| Total additions | **2,382,222** | 943,471 |
| DECREASE IN NET ASSETS ATTRIBUTED TO: | | |
| Net depreciation in fair value of investments | **-** | 189,140 |
| Benefits paid to participants | **247,254** | 429,277 |
| Administrative expenses | **2,779** | 1,850 |
| Total deductions | **250,033** | 620,267 |
| Net increase | **2,132,189** | 323,204 |
| Net assets available for benefits: | | |
| Beginning of year | **7,537,443** | 7,214,239 |
| End of year | **$ 9,669,632** | $ 7,537,443 |

*See accompanying notes to financial statements.*

## NOTE A – Description of the Plan

The following description of the ForTec Medical, Inc. 401(k) Profit Sharing and Trust (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

*General*

The Plan is a defined contribution plan covering substantially all employees of ForTec Medical, Inc., ForTec Fibers, Inc., ForTec Litho, LLC, ForTec Litho Central, LLC, ForTec Litho NY, LLC and ForTec Litho Florida, LLC (the Company) who have completed one year of credited service and attained the age of 21. Employees are allowed to commence participation in the Plan after achieving eligibility on either the first day of each calendar year or the first day of the seventh month of the calendar year. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

*Contributions*

Participants may contribute up to 100% of their annual compensation, not to exceed Internal Revenue Service limitations. The Company may elect to make discretionary matching and profit sharing contributions. During the years ended December 31, 2012 and 2011, the Company matched employee contributions at an amount equal to thirty-five percent of the first six percent of the participant's gross earnings deferred. Additionally, the Company made a discretionary profit sharing contribution of $300,000 and $150,000 during 2012 and 2011, respectively.

*Participant accounts*

Each participant's account is credited with the participant's contribution, and an allocation of the employer's discretionary matching and discretionary profit sharing contribution, if any. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

*Vesting*

Participants are immediately vested in their contributions plus actual earnings thereon. The vesting schedule for Company contributions and actual earnings thereon is based on years of credited service. The vesting schedule is as follows:

| Years of Credited Service | Vesting Percentage |
|---|---|
| < 2 | 0% |
| 2 | 20% |
| 3 | 40% |
| 4 | 60% |
| 5 | 80% |
| 6 | 100% |

**NOTE A – Description of the Plan, continued**

*Notes receivable from participants*
Participants are permitted to borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance. During the 2012 and 2011 plan years, loans outstanding carried repayment terms ranging from one to four years and one to five years, respectively, with interest rates ranging from 4.25% to 8.25% and 4.25% to 9.50%, respectively. The outstanding loan balances were $257,031 and $179,566 at December 31, 2012 and 2011, respectively.

*Payment of benefits*
On termination of service, death, disability or retirement, a participant or beneficiary may receive a lump sum amount equal to the vested value of the participant's account.

Every participant may retire on his normal retirement date. However, a participant may postpone his retirement to a later date, in which event the participation of such participant in the Plan, including the right to receive allocations, shall continue until his later retirement date.

Upon death or permanent disability of a participant before his retirement date or other termination of his employment, all amounts credited to such participant's combined account shall become fully vested.

*Forfeitures*
Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total compensation for the Plan year. However, any forfeitures attributable to matching contributions will be used to reduce any future matching contributions. Forfeitures of terminated nonvested account balances to be allocated to remaining participants at December 31, 2012 and 2011 totaled $41,399 and $34,556, respectively.

*Plan expenses*
Substantially all Plan expenses are paid by the Company.

**NOTE B – Summary of significant accounting policies**

*Basis of accounting*
The accompanying financial statements and supplemental schedule have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States. Investments are reported at current values. All other transactions are reported on a cash basis.

*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 C for discussion of fair value measurements.

**NOTE B – Summary of significant accounting policies, continued**

*Investment valuation and income recognition, continued*

Investment contracts held by a defined contribution plan are required to be reported at fair market value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statement of Net Assets Available for Benefits presents the fair value of the fully benefit responsive investment contracts as well as the adjustment from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Purchases and sales of securities are reflected on a trade date basis. Gains or losses on sales of securities are based on average cost. Interest income is recorded when received.

*Notes receivable from participants*
Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

*Payment of benefits*
Benefits are recorded when paid.

*Reclassifications*
Certain December 31, 2011 financial statement items have been reclassified to conform to the December 31, 2012 financial statement presentation. The reclassification had no effect on the Plan's changes in net assets available for benefits.

*Use of estimates*
The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Events occurring after reporting date*
The Plan's management has evaluated events and transactions that occurred between December 31, 2012 and October 8, 2013, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

**NOTE C – Fair value measurements**

Accounting Standards Codification (ASC) 820, *Fair Value Measurement and Disclosures* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives

**NOTE C – Fair value measurements, continued**

the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobserved inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

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;
- 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 measurements.

The asset's 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 used need to 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 at December 31, 2012 and 2011.

*Pooled separate accounts:* The fair values of participation units in the pooled separate accounts are based upon the net asset values of such accounts which are provided by the custodian. The net asset value is based on underlying assets owned by the account less liabilities and then divided by the number of shares outstanding. The accounts allow for daily redemptions and contributions.

*Guaranteed investment contract:* Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

**NOTE C – Fair value measurements, continued**

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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.

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

| | Fair Value Measurements at December 31, 2012 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Pooled separate accounts: | | | | |
| Money market investments | $ - | $ 40,262 | $ - | $ 40,262 |
| Bonds | - | 1,072,130 | - | 1,072,130 |
| Asset allocation | - | 1,312,703 | - | 1,312,703 |
| Balanced | - | 249,299 | - | 249,299 |
| Large cap value | - | 2,562,648 | - | 2,562,648 |
| Large cap growth | - | 1,038,189 | - | 1,038,189 |
| Small/mid/specialty | - | 1,485,112 | - | 1,485,112 |
| Global/international | - | 1,296,609 | - | 1,296,609 |
| Guaranteed investment contracts | - | 391,762 | - | 391,762 |
| Total assets at fair value | $ - | $ 9,448,714 | $ - | $ 9,448,714 |

| | Fair Value Measurements at December 31, 2011 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Pooled separate accounts: | | | | |
| Money market investments | $ - | $ 32,783 | $ - | $ 32,783 |
| Bonds | - | 908,908 | - | 908,908 |
| Asset allocation | - | 779,022 | - | 779,022 |
| Balanced | - | 231,835 | - | 231,835 |
| Large cap value | - | 2,097,199 | - | 2,097,199 |
| Large cap growth | - | 789,676 | - | 789,676 |
| Small/mid/specialty | - | 1,145,097 | - | 1,145,097 |
| Global/international | - | 968,758 | - | 968,758 |
| Guaranteed investment contracts | - | 434,519 | - | 434,519 |
| Total assets at fair value | $ - | $ 7,387,797 | $ - | $ 7,387,797 |

**NOTE D – Investments and notes receivable from participants**

All investment and participant notes receivable information disclosed in the accompanying financial statements and supplemental schedule, including investments and participant notes receivable held at December 31, 2012 and 2011, net appreciation in fair value of units of pooled separate accounts, and interest and dividend income for the years ended December 31, 2012 and 2011, were obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by ING Life Insurance and Annuity Company (ING), the custodian. As elected by the Plan administrator, no auditing procedures have been performed on this information except to compare such information to the information included in the accompanying financial statements.

The fair value of individual investments that represent 5% or more of the Plan's net assets at either year-end are as follows:

| | **2012** | 2011 |
|---|---|---|
| VVIF Diversified Value Portfolio | $ **1,225,607** | $ 1,001,732 |
| ING Oppenheimer Global Portfolio | **1,023,137** | 797,493 |
| ING T. Rowe Price Growth Equity Portfolio | **1,017,903** | 786,582 |
| ING Fidelity VIP Contrafund Portfolio | **697,769** | 576,698 |
| ING PIMCO Total Return Portfolio | **743,447** | 620,463 |
| Manning & Napier Equity Fund | **< 5%** | 396,500 |
| ING Fixed Account | **< 5%** | 404,599* |

* This amount represents contract value for this investment.

All investments were participant directed at December 31, 2012 and 2011.

For the years ended December 31, 2012 and 2011, Plan investments (including investments bought, sold and held during the year) appreciated in value by $1,085,959 and depreciated in value by $189,140, respectively, as follows:

| | **2012** | 2011 |
|---|---|---|
| Units of pooled separate accounts | **$ 1,085,959** | $ (189,140) |

**NOTE E – Plan termination**

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

**NOTE F – Transactions with parties-in-interest**

Certain Plan investments are guaranteed investment contracts or units of pooled separate accounts that are managed by ING, the custodian, as of December 31, 2012 and 2011. Therefore, transactions therewith qualify as party-in-interest transactions.

**NOTE G – Investment contract with insurance company**

The Plan has entered into an investment contract with ING. ING maintains the contributions in a pooled account. The account is credited with earnings on the underlying investments and charged for Plan withdrawals and administrative expenses charged by ING. The contract is included in the financial statements at contract value as reported to the Plan by ING. Contract value represents contributions made under the contract, plus earnings, less withdrawals and administrative expenses, because it is fully benefit responsive. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. There are no reserves against contract value for credit risk of the contract, issuer, or otherwise. The average yield and crediting interest rate was approximately 3% at both December 31, 2012 and 2011. Renewal rates are declared on an annual basis.

**NOTE H – Income tax status**

On March 31, 2008, the Internal Revenue Service stated that the prototype plan adopted by the Plan, as then designed, qualifies under Section 401(a) of the Internal Revenue Code (IRC). The Plan has not received a determination letter specific to the Plan itself; however, the Plan administrator and the Plan's tax counsel believe that the Plan was designed and was being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the tax authorities. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2009.

## NOTES TO FINANCIAL STATEMENTS

### NOTE I – 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 that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

**FORTEC MEDICAL, INC. 401(k) PROFIT SHARING AND TRUST**

**DECEMBER 31, 2012**
**EIN:34-1662721 PLAN NUMBER: 001**
**SCHEDULE H – Line 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

| | (a) (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (d) Cost | (e) Current value |
|---|---|---|---|---|
| | VVIF Diversified Value Portfolio | Pooled Separate Account | ** | $ 1,225,607 |
| * | ING Oppenheimer Global Portfolio | Pooled Separate Account | ** | 1,023,137 |
| * | ING T. Rowe Price Growth Equity Portfolio | Pooled Separate Account | ** | 1,017,903 |
| * | ING PIMCO Total Return Portfolio | Pooled Separate Account | ** | 743,447 |
| * | ING Fidelity VIP Contrafund Portfolio | Pooled Separate Account | ** | 697,769 |
| | Manning & Napier Equity Fund | Pooled Separate Account | ** | 477,413 |
| * | ING Solution 2035 Portfolio | Pooled Separate Account | ** | 396,470 |
| * | ING Solution 2045 Portfolio | Pooled Separate Account | ** | 384,739 |
| * | ING Solution 2025 Portfolio | Pooled Separate Account | ** | 359,804 |
| * | ING Fixed Account | Guaranteed Investment Contract | ** | 355,649 |
| * | ING Global Bond Portfolio | Pooled Separate Account | ** | 308,382 |
| * | ING JPMorgan Mid Cap Value Portfolio | Pooled Separate Account | ** | 284,930 |
| * | ING Van Kampen Equity & Income Portfolio | Pooled Separate Account | ** | 249,299 |

**FORTEC MEDICAL, INC. 401(k) PROFIT SHARING AND TRUST**

**DECEMBER 31, 2012**
**EIN:34-1662721 PLAN NUMBER: 001**
**SCHEDULE H – Line 4i – SCHEDULE OF ASSETS (HELD 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) Cost | (e) Current value |
|---|---|---|---|---|
| * | ING Russell Small Cap Index Portfolio | Pooled Separate Account | ** | $ 235,161 |
| | Franklin Small Cap Value Security Fund | Pooled Separate Account | ** | 215,782 |
| | Dodge and Cox International Stock Fund | Pooled Separate Account | ** | 149,917 |
| * | ING U.S. Stock Index Portfolio | Pooled Separate Account | ** | 145,539 |
| | CRM Mid Cap Value Fund | Pooled Separate Account | ** | 140,732 |
| * | ING Russell Mid Cap Index Portfolio | Pooled Separate Account | ** | 122,048 |
| * | ING Baron Growth Portfolio | Pooled Separate Account | ** | 112,871 |
| * | ING Clarion Real Estate Portfolio | Pooled Separate Account | ** | 96,670 |
| | Wanger Select | Pooled Separate Account | ** | 93,050 |
| * | ING Solution 2015 Portfolio | Pooled Separate Account | ** | 90,532 |
| | Lazard Emerging Markets Equity Portfolio | Pooled Separate Account | ** | 89,674 |
| * | ING Global Resources Portfolio | Pooled Separate Account | ** | 84,535 |

**FORTEC MEDICAL, INC. 401(k) PROFIT SHARING AND TRUST**

**DECEMBER 31, 2012**
**EIN:34-1662721 PLAN NUMBER: 001**
**SCHEDULE H – Line 4i – SCHEDULE OF ASSETS (HELD 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) Cost | (e) Current value |
|---|---|---|---|---|
| * | ING Solution 2055 Portfolio | Pooled Separate Account | ** | $ 66,861 |
| * | ING American Century Small-Mid Cap | Pooled Separate Account | ** | 52,349 |
| | Oppenheimer Gold & Special Minerals Fund | Pooled Separate Account | ** | 40,959 |
| * | ING Money Market Fund | Pooled Separate Account | ** | 40,262 |
| | PIMCO VIT Real Return Adminstrative Class | Pooled Separate Account | ** | 20,302 |
| | American Funds Euro Pacific Growth Fund | Pooled Separate Account | ** | 17,765 |
| | Dodge and Cox Stock Fund | Pooled Separate Account | ** | 16,320 |
| | Mutual Global Discovery Fund | Pooled Separate Account | ** | 16,117 |
| * | ING Solution Income Portfolio | Pooled Separate Account | ** | 14,297 |
| | Fidelity Advisor New Insights Fund | Pooled Separate Account | ** | 13,785 |
| * | ING Large Cap Growth Portfolio | Pooled Separate Account | ** | 6,500 |
| * | ING MFS Utilities Portfolio | Pooled Separate Account | ** | 6,024 |

**FORTEC MEDICAL, INC. 401(k) PROFIT SHARING AND TRUST**

**DECEMBER 31, 2012**
**EIN:34-1662721 PLAN NUMBER: 001**
**SCHEDULE H – Line 4i – SCHEDULE OF ASSETS (HELD 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) Cost | (e) Current value |
|---|---|---|---|
| Participant loans | 4.25% - 8.25% | -0- | $ 257,031 |

* Identified as a party-in-interest.
** Not required for participant-directed asset

**Attachment to 2012 Form 5500**
**Schedule H, line 4i - Schedule of Assets**
**(Held at End of Year)**
**Fortec Medical, Inc. 401(k) Profit Sharing**
**EIN#34-1662721**
**Plan#001**
**As Of December 31, 2012**

| (a) | (b) Identity of issue, borrower, lessor or similar party | (c) Description of investments including maturity date, rate of interest, collateral, par, or maturity date | (d)Cost | (e) Current Value |
|---|---|---|---|---|
| | American Funds EuroPacific R3 | Registered Investment Company | | $17,765 |
| | CRM Mid Cap Value Fund Inv | Registered Investment Company | | $140,732 |
| | Dodge & Cox Intl Stock Fnd | Registered Investment Company | | $149,917 |
| | Dodge & Cox Stock Fund | Registered Investment Company | | $16,320 |
| | Fidelity Adv Nw Insight Fd T | Registered Investment Company | | $13,785 |
| | Franklin Sm Cap Value Fnd 2 | Registered Investment Company | | $215,782 |
| * | ING AmCen Sm-MdCp VI Port I | Registered Investment Company | | $52,349 |
| * | ING Baron Growth Port I | Registered Investment Company | | $112,871 |
| * | ING Clarion RI Estate Prt Srv | Registered Investment Company | | $96,670 |
| * | ING Fidelity VIP Contra Pt Srv | Registered Investment Company | | $697,769 |
| * | ING Fixed Account | Insurance Company General Account | | $355,649 |
| * | ING Global Bond Port I | Registered Investment Company | | $308,382 |
| * | ING Global Resources Port Srv | Registered Investment Company | | $84,535 |
| * | ING InvVKpn Eqty & Inc Pt I | Registered Investment Company | | $249,299 |
| * | ING JPM MdCp Value Port I | Registered Investment Company | | $284,930 |
| * | ING Large Cap Growth Port Srv | Registered Investment Company | | $6,500 |
| * | ING MFS Utilities Port Srv | Registered Investment Company | | $6,024 |
| * | ING Mny Mkt Fd A | Registered Investment Company | | $40,262 |
| * | ING Oppenhmr Global Port I | Registered Investment Company | | $1,023,137 |
| * | ING PIMCO Total Return Pt I | Registered Investment Company | | $743,447 |
| * | ING Russell MdCp Indx Prt I | Registered Investment Company | | $122,048 |
| * | ING Russell SmCp Indx Prt I | Registered Investment Company | | $235,161 |
| * | ING Solution 2015 Port Adv | Registered Investment Company | | $90,532 |
| * | ING Solution 2025 Port Adv | Registered Investment Company | | $359,804 |
| * | ING Solution 2035 Port Adv | Registered Investment Company | | $396,470 |
| * | ING Solution 2045 Port Adv | Registered Investment Company | | $384,739 |
| * | ING Solution 2055 Port Adv | Registered Investment Company | | $66,861 |
| * | ING Solution Inc Port Adv | Registered Investment Company | | $14,297 |
| * | ING TRowePrc Grw Eqty Pt I | Registered Investment Company | | $1,017,903 |
| * | ING US Stock Index Port Ins | Registered Investment Company | | $145,539 |
| | Lazard Emrg Mkts Eqty Port Opn | Registered Investment Company | | $89,674 |
| | MnNpr Fund Eqty Srs | Registered Investment Company | | $477,413 |
| | Mutual Global Discovery Fund R | Registered Investment Company | | $16,117 |
| | Oppenhmr Gold & Spec Min Fd N | Registered Investment Company | | $40,959 |
| | PIMCO VIT Real Return Port Adm | Registered Investment Company | | $20,302 |
| | Vangrd VIF - Divrsd VI Port | Registered Investment Company | | $1,225,607 |
| | Wanger Select | Registered Investment Company | | $93,050 |
| | | Participant Loans - Rates 4.25% to 10.50% | | $257,031 |
| | TOTAL | Registered Investment Company | | $9,669,632 |

* denotes party-in-interest

Column (d) is not required as the Plan's investments are totally participant directed.

# FORTEC MEDICAL, INC.
# 401(k) PROFIT SHARING AND TRUST

*FINANCIAL STATEMENTS*

*FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011*

# FORTEC MEDICAL, INC. 401(k) PROFIT SHARING AND TRUST

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SS&G
Certified Public Accountants and Advisers

# INDEPENDENT AUDITORS' REPORT

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To The Plan Trustees
ForTec Medical, Inc. 401(k) Profit Sharing and Trust

## Report on the Financial Statements

We were engaged to audit the accompanying financial statements of ForTec Medical, Inc. 401(k) Profit Sharing and Trust (the Plan), which comprise the statements of net assets available for benefits - modified cash basis as of December 31, 2012 and 2011, the related statements of changes in net assets available for benefits - modified cash basis for the years then ended, and the related notes to the financial statements.

## Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note B; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Plan management is also responsible for 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 audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

## Basis for Disclaimer of Opinion

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

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

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

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

**Basis of Accounting**
We draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements and supplemental schedule were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Our opinion is not modified with respect to that matter.

SS&G

www.SSandG.com

October 8, 2013

## FORTEC MEDICAL, INC. 401(k) PROFIT SHARING AND TRUST

## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS - MODIFIED CASH BASIS

| | DECEMBER 31, | |
|---|---|---|
| | **2012** | 2011 |
| ASSETS | | |
| Investments, at fair value: | | |
| Pooled separate accounts | **$ 9,056,952** | $ 6,953,278 |
| Guaranteed investment contract | **391,762** | 434,519 |
| Total investments | **9,448,714** | 7,387,797 |
| Receivables: | | |
| Notes receivable from participants | **257,031** | 179,566 |
| Net assets available for benefits at fair value | **9,705,745** | 7,567,363 |
| Adjustment from fair value to contract value for interest in common/collective trust relating to fully benefit-responsive investment contracts | **(36,113)** | (29,920) |
| Net assets available for benefits | **$ 9,669,632** | $ 7,537,443 |

*See accompanying notes to financial statements.*

# FORTEC MEDICAL, INC. 401(k) PROFIT SHARING AND TRUST

## STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - MODIFIED CASH BASIS

| | FOR THE YEARS ENDED DECEMBER 31, | |
|---|---|---|
| | **2012** | 2011 |
| INCREASE IN NET ASSETS ATTRIBUTED TO: | | |
| Investment income: | | |
| Net appreciation in fair value of investments | **$ 1,085,959** | $ - |
| Dividends and interest | **11,539** | 10,669 |
| | **1,097,498** | 10,669 |
| Interest income on notes receivable from participants | **9,131** | 6,977 |
| Contributions: | | |
| Employee | **704,546** | 606,446 |
| Employer | **448,492** | 298,678 |
| Rollovers | **122,555** | 20,701 |
| | **1,275,593** | 925,825 |
| Total additions | **2,382,222** | 943,471 |
| DECREASE IN NET ASSETS ATTRIBUTED TO: | | |
| Net depreciation in fair value of investments | **-** | 189,140 |
| Benefits paid to participants | **247,254** | 429,277 |
| Administrative expenses | **2,779** | 1,850 |
| Total deductions | **250,033** | 620,267 |
| Net increase | **2,132,189** | 323,204 |
| Net assets available for benefits: | | |
| Beginning of year | **7,537,443** | 7,214,239 |
| End of year | **$ 9,669,632** | $ 7,537,443 |

*See accompanying notes to financial statements.*

## NOTE A – Description of the Plan

The following description of the ForTec Medical, Inc. 401(k) Profit Sharing and Trust (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

*General*

The Plan is a defined contribution plan covering substantially all employees of ForTec Medical, Inc., ForTec Fibers, Inc., ForTec Litho, LLC, ForTec Litho Central, LLC, ForTec Litho NY, LLC and ForTec Litho Florida, LLC (the Company) who have completed one year of credited service and attained the age of 21. Employees are allowed to commence participation in the Plan after achieving eligibility on either the first day of each calendar year or the first day of the seventh month of the calendar year. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

*Contributions*

Participants may contribute up to 100% of their annual compensation, not to exceed Internal Revenue Service limitations. The Company may elect to make discretionary matching and profit sharing contributions. During the years ended December 31, 2012 and 2011, the Company matched employee contributions at an amount equal to thirty-five percent of the first six percent of the participant's gross earnings deferred. Additionally, the Company made a discretionary profit sharing contribution of $300,000 and $150,000 during 2012 and 2011, respectively.

*Participant accounts*

Each participant's account is credited with the participant's contribution, and an allocation of the employer's discretionary matching and discretionary profit sharing contribution, if any. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

*Vesting*

Participants are immediately vested in their contributions plus actual earnings thereon. The vesting schedule for Company contributions and actual earnings thereon is based on years of credited service. The vesting schedule is as follows:

| Years of Credited Service | Vesting Percentage |
|---|---|
| < 2 | 0% |
| 2 | 20% |
| 3 | 40% |
| 4 | 60% |
| 5 | 80% |
| 6 | 100% |

**NOTE A – Description of the Plan, continued**

*Notes receivable from participants*
Participants are permitted to borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance. During the 2012 and 2011 plan years, loans outstanding carried repayment terms ranging from one to four years and one to five years, respectively, with interest rates ranging from 4.25% to 8.25% and 4.25% to 9.50%, respectively. The outstanding loan balances were $257,031 and $179,566 at December 31, 2012 and 2011, respectively.

*Payment of benefits*
On termination of service, death, disability or retirement, a participant or beneficiary may receive a lump sum amount equal to the vested value of the participant's account.

Every participant may retire on his normal retirement date. However, a participant may postpone his retirement to a later date, in which event the participation of such participant in the Plan, including the right to receive allocations, shall continue until his later retirement date.

Upon death or permanent disability of a participant before his retirement date or other termination of his employment, all amounts credited to such participant's combined account shall become fully vested.

*Forfeitures*
Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total compensation for the Plan year. However, any forfeitures attributable to matching contributions will be used to reduce any future matching contributions. Forfeitures of terminated nonvested account balances to be allocated to remaining participants at December 31, 2012 and 2011 totaled $41,399 and $34,556, respectively.

*Plan expenses*
Substantially all Plan expenses are paid by the Company.

**NOTE B – Summary of significant accounting policies**

*Basis of accounting*
The accompanying financial statements and supplemental schedule have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States. Investments are reported at current values. All other transactions are reported on a cash basis.

*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 C for discussion of fair value measurements.

**NOTE B – Summary of significant accounting policies, continued**

*Investment valuation and income recognition, continued*

Investment contracts held by a defined contribution plan are required to be reported at fair market value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statement of Net Assets Available for Benefits presents the fair value of the fully benefit responsive investment contracts as well as the adjustment from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Purchases and sales of securities are reflected on a trade date basis. Gains or losses on sales of securities are based on average cost. Interest income is recorded when received.

*Notes receivable from participants*
Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

*Payment of benefits*
Benefits are recorded when paid.

*Reclassifications*
Certain December 31, 2011 financial statement items have been reclassified to conform to the December 31, 2012 financial statement presentation. The reclassification had no effect on the Plan's changes in net assets available for benefits.

*Use of estimates*
The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Events occurring after reporting date*
The Plan's management has evaluated events and transactions that occurred between December 31, 2012 and October 8, 2013, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

**NOTE C – Fair value measurements**

Accounting Standards Codification (ASC) 820, *Fair Value Measurement and Disclosures* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives

**NOTE C – Fair value measurements, continued**

the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobserved inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

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;
- 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 measurements.

The asset's 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 used need to 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 at December 31, 2012 and 2011.

*Pooled separate accounts:* The fair values of participation units in the pooled separate accounts are based upon the net asset values of such accounts which are provided by the custodian. The net asset value is based on underlying assets owned by the account less liabilities and then divided by the number of shares outstanding. The accounts allow for daily redemptions and contributions.

*Guaranteed investment contract:* Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

**NOTE C – Fair value measurements, continued**

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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.

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

| | Fair Value Measurements at December 31, 2012 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Pooled separate accounts: | | | | |
| Money market investments | $ - | $ 40,262 | $ - | $ 40,262 |
| Bonds | - | 1,072,130 | - | 1,072,130 |
| Asset allocation | - | 1,312,703 | - | 1,312,703 |
| Balanced | - | 249,299 | - | 249,299 |
| Large cap value | - | 2,562,648 | - | 2,562,648 |
| Large cap growth | - | 1,038,189 | - | 1,038,189 |
| Small/mid/specialty | - | 1,485,112 | - | 1,485,112 |
| Global/international | - | 1,296,609 | - | 1,296,609 |
| Guaranteed investment contracts | - | 391,762 | - | 391,762 |
| Total assets at fair value | $ - | $ 9,448,714 | $ - | $ 9,448,714 |

| | Fair Value Measurements at December 31, 2011 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Pooled separate accounts: | | | | |
| Money market investments | $ - | $ 32,783 | $ - | $ 32,783 |
| Bonds | - | 908,908 | - | 908,908 |
| Asset allocation | - | 779,022 | - | 779,022 |
| Balanced | - | 231,835 | - | 231,835 |
| Large cap value | - | 2,097,199 | - | 2,097,199 |
| Large cap growth | - | 789,676 | - | 789,676 |
| Small/mid/specialty | - | 1,145,097 | - | 1,145,097 |
| Global/international | - | 968,758 | - | 968,758 |
| Guaranteed investment contracts | - | 434,519 | - | 434,519 |
| Total assets at fair value | $ - | $ 7,387,797 | $ - | $ 7,387,797 |

**NOTE D – Investments and notes receivable from participants**

All investment and participant notes receivable information disclosed in the accompanying financial statements and supplemental schedule, including investments and participant notes receivable held at December 31, 2012 and 2011, net appreciation in fair value of units of pooled separate accounts, and interest and dividend income for the years ended December 31, 2012 and 2011, were obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by ING Life Insurance and Annuity Company (ING), the custodian. As elected by the Plan administrator, no auditing procedures have been performed on this information except to compare such information to the information included in the accompanying financial statements.

The fair value of individual investments that represent 5% or more of the Plan's net assets at either year-end are as follows:

| | **2012** | 2011 |
|---|---|---|
| VVIF Diversified Value Portfolio | $ **1,225,607** | $ 1,001,732 |
| ING Oppenheimer Global Portfolio | **1,023,137** | 797,493 |
| ING T. Rowe Price Growth Equity Portfolio | **1,017,903** | 786,582 |
| ING Fidelity VIP Contrafund Portfolio | **697,769** | 576,698 |
| ING PIMCO Total Return Portfolio | **743,447** | 620,463 |
| Manning & Napier Equity Fund | **< 5%** | 396,500 |
| ING Fixed Account | **< 5%** | 404,599* |

* This amount represents contract value for this investment.

All investments were participant directed at December 31, 2012 and 2011.

For the years ended December 31, 2012 and 2011, Plan investments (including investments bought, sold and held during the year) appreciated in value by $1,085,959 and depreciated in value by $189,140, respectively, as follows:

| | **2012** | 2011 |
|---|---|---|
| Units of pooled separate accounts | **$ 1,085,959** | $ (189,140) |

**NOTE E – Plan termination**

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

**NOTE F – Transactions with parties-in-interest**

Certain Plan investments are guaranteed investment contracts or units of pooled separate accounts that are managed by ING, the custodian, as of December 31, 2012 and 2011. Therefore, transactions therewith qualify as party-in-interest transactions.

**NOTE G – Investment contract with insurance company**

The Plan has entered into an investment contract with ING. ING maintains the contributions in a pooled account. The account is credited with earnings on the underlying investments and charged for Plan withdrawals and administrative expenses charged by ING. The contract is included in the financial statements at contract value as reported to the Plan by ING. Contract value represents contributions made under the contract, plus earnings, less withdrawals and administrative expenses, because it is fully benefit responsive. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. There are no reserves against contract value for credit risk of the contract, issuer, or otherwise. The average yield and crediting interest rate was approximately 3% at both December 31, 2012 and 2011. Renewal rates are declared on an annual basis.

**NOTE H – Income tax status**

On March 31, 2008, the Internal Revenue Service stated that the prototype plan adopted by the Plan, as then designed, qualifies under Section 401(a) of the Internal Revenue Code (IRC). The Plan has not received a determination letter specific to the Plan itself; however, the Plan administrator and the Plan's tax counsel believe that the Plan was designed and was being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the tax authorities. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2009.

## NOTES TO FINANCIAL STATEMENTS

### NOTE I – 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 that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

**FORTEC MEDICAL, INC. 401(k) PROFIT SHARING AND TRUST**

**DECEMBER 31, 2012**
**EIN:34-1662721 PLAN NUMBER: 001**
**SCHEDULE H – Line 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

| | (a) (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (d) Cost | (e) Current value |
|---|---|---|---|---|
| | VVIF Diversified Value Portfolio | Pooled Separate Account | ** | $ 1,225,607 |
| * | ING Oppenheimer Global Portfolio | Pooled Separate Account | ** | 1,023,137 |
| * | ING T. Rowe Price Growth Equity Portfolio | Pooled Separate Account | ** | 1,017,903 |
| * | ING PIMCO Total Return Portfolio | Pooled Separate Account | ** | 743,447 |
| * | ING Fidelity VIP Contrafund Portfolio | Pooled Separate Account | ** | 697,769 |
| | Manning & Napier Equity Fund | Pooled Separate Account | ** | 477,413 |
| * | ING Solution 2035 Portfolio | Pooled Separate Account | ** | 396,470 |
| * | ING Solution 2045 Portfolio | Pooled Separate Account | ** | 384,739 |
| * | ING Solution 2025 Portfolio | Pooled Separate Account | ** | 359,804 |
| * | ING Fixed Account | Guaranteed Investment Contract | ** | 355,649 |
| * | ING Global Bond Portfolio | Pooled Separate Account | ** | 308,382 |
| * | ING JPMorgan Mid Cap Value Portfolio | Pooled Separate Account | ** | 284,930 |
| * | ING Van Kampen Equity & Income Portfolio | Pooled Separate Account | ** | 249,299 |

**FORTEC MEDICAL, INC. 401(k) PROFIT SHARING AND TRUST**

**DECEMBER 31, 2012**
**EIN:34-1662721 PLAN NUMBER: 001**
**SCHEDULE H – Line 4i – SCHEDULE OF ASSETS (HELD 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) Cost | (e) Current value |
|---|---|---|---|---|
| * | ING Russell Small Cap Index Portfolio | Pooled Separate Account | ** | $ 235,161 |
| | Franklin Small Cap Value Security Fund | Pooled Separate Account | ** | 215,782 |
| | Dodge and Cox International Stock Fund | Pooled Separate Account | ** | 149,917 |
| * | ING U.S. Stock Index Portfolio | Pooled Separate Account | ** | 145,539 |
| | CRM Mid Cap Value Fund | Pooled Separate Account | ** | 140,732 |
| * | ING Russell Mid Cap Index Portfolio | Pooled Separate Account | ** | 122,048 |
| * | ING Baron Growth Portfolio | Pooled Separate Account | ** | 112,871 |
| * | ING Clarion Real Estate Portfolio | Pooled Separate Account | ** | 96,670 |
| | Wanger Select | Pooled Separate Account | ** | 93,050 |
| * | ING Solution 2015 Portfolio | Pooled Separate Account | ** | 90,532 |
| | Lazard Emerging Markets Equity Portfolio | Pooled Separate Account | ** | 89,674 |
| * | ING Global Resources Portfolio | Pooled Separate Account | ** | 84,535 |

**FORTEC MEDICAL, INC. 401(k) PROFIT SHARING AND TRUST**

**DECEMBER 31, 2012**
**EIN:34-1662721 PLAN NUMBER: 001**
**SCHEDULE H – Line 4i – SCHEDULE OF ASSETS (HELD 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) Cost | (e) Current value |
|---|---|---|---|---|
| * | ING Solution 2055 Portfolio | Pooled Separate Account | ** | $ 66,861 |
| * | ING American Century Small-Mid Cap | Pooled Separate Account | ** | 52,349 |
| | Oppenheimer Gold & Special Minerals Fund | Pooled Separate Account | ** | 40,959 |
| * | ING Money Market Fund | Pooled Separate Account | ** | 40,262 |
| | PIMCO VIT Real Return Adminstrative Class | Pooled Separate Account | ** | 20,302 |
| | American Funds Euro Pacific Growth Fund | Pooled Separate Account | ** | 17,765 |
| | Dodge and Cox Stock Fund | Pooled Separate Account | ** | 16,320 |
| | Mutual Global Discovery Fund | Pooled Separate Account | ** | 16,117 |
| * | ING Solution Income Portfolio | Pooled Separate Account | ** | 14,297 |
| | Fidelity Advisor New Insights Fund | Pooled Separate Account | ** | 13,785 |
| * | ING Large Cap Growth Portfolio | Pooled Separate Account | ** | 6,500 |
| * | ING MFS Utilities Portfolio | Pooled Separate Account | ** | 6,024 |

**FORTEC MEDICAL, INC. 401(k) PROFIT SHARING AND TRUST**

**DECEMBER 31, 2012**
**EIN:34-1662721 PLAN NUMBER: 001**
**SCHEDULE H – Line 4i – SCHEDULE OF ASSETS (HELD 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) Cost | (e) Current value |
|---|---|---|---|
| Participant loans | 4.25% - 8.25% | -0- | $ 257,031 |

* Identified as a party-in-interest.
** Not required for participant-directed asset