Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2012

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

1b Three-digit plan number (PN) ▶ 004

1c Effective date of plan 01/01/1999

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

MADELAINE CHOCOLATE NOVELTIES, INC.

96-03 BEACH CHANNEL DR
ROCKAWAY BEACH, NY 11693

2b Employer Identification Number (EIN) 11-1844700

2c Sponsor's telephone number 718-945-1500

2d Business code (see instructions) 311300

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.	10/14/2013	NORMAN GOLD
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
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:	**4b** EIN	
a Sponsor's name	**4c** PN	
5 Total number of participants at the beginning of the plan year	**5**	288
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**	277
b Retired or separated participants receiving benefits	**6b**	0
c Other retired or separated participants entitled to future benefits	**6c**	10
d Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	287
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f Total. Add lines **6d** and **6e**	**6f**	287
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	50
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**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
MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

B Three-digit plan number (PN) ▶ 004

C Plan sponsor's name as shown on line 2a of Form 5500
MADELAINE CHOCOLATE NOVELTIES, INC.

D Employer Identification Number (EIN)
11-1844700

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

ING INSTITUTIONAL PLAN SERVICES LLC

04-3516284

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

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

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

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

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

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

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

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

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

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

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

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

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

ING INSTITUTIONAL PLAN SERVICES LLC

04-3516284

(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?
63 60	RECORDKEEPER	1200	Yes [X] No [ ]	Yes [X] No [ ]	0	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 [ ]

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

(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 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
MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

B Three-digit plan number (PN) ▶ 004

C Plan sponsor's name as shown on line 2a of Form 5500
MADELAINE CHOCOLATE NOVELTIES, INC.

D Employer Identification Number (EIN)
11-1844700

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)	9504	0
(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)	41625	29315
(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)	644561	678630
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	695690	707945
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	695690	707945

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)		
(B) Participants	2a(1)(B)	66117	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		66117
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)	1999	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		1999
(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)	7859	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		7859
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	143794	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	141802	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		1992
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	44738	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		44738

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		122705
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	109250	
(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)		109250
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	1200	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		1200
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		110450
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		12255
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: RONNIE MILLIAN ZOLIN CPA **(2)** EIN: 11-3347081

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			
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
MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

B Three-digit plan number (PN) ▶ 004

C Plan sponsor's name as shown on line 2a of Form 5500
MADELAINE CHOCOLATE NOVELTIES, INC.

D Employer Identification Number (EIN)
11-1844700

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): 04-3581074

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):

RONNIE MILLMAN ZOLIN
CERTIFIED PUBLIC ACCOUNTANT

63 WATERBURY LANE
WESTBURY, NEW YORK 11590
TEL: 516-333-1238
FAX: 516-338-7516

October 9, 2013

MADELAINE CHOCOLATE NOVELTIES, INC.
96-03 Beach Channel Drive
Rockaway Beach, NY 11693

INDEPENDENT AUDITORS' REPORT

We were engaged to audit the financial statements of the Madelaine Chocolate Novelties Employee 401(k) Plan as of December 31, 2012 and December 31, 2011 and for the years ended December 31, 2012 and December 31, 2011, and the supplemental schedules as of December 31, 2012 and 2011. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 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 3, which was certified by ING Institutional Plan Services, LLC (formerly knows as Citistreet LLC) the custodian of the Plan, except for comparing such information with the related information included in the financial statements. 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 certifications from the custodian as of December 31, 2012 and for the year ended December 31, 2012 that the information provided to the Plan administrator by the custodian is complete and accurate.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plan as of December 31, 2012 and December 31, 2011, and changes in its financial status for the year then ended and information regarding net assets available for plan benefits and changes therein as of and for the year ended December 31, 2012 in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of investments accompanying the financial statements is presented for purposes of complying with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is not a required part of the basic financial statements. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Very truly yours,

RONNIE MILLMAN ZOLIN
CERTIFIED PUBLIC ACCOUNTANT

RMZ:edd
Enclosures

Statement 1

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2012	December 31, 2011
Assets		
Investments	678,630	644,561
Receivables		
Participants' contributions	0	9,504
Participants' loans	29,315	41,625
Total Receivables	29,315	51,129
Net Assets Available for Plan Benefits	707,945	695,690

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2012

Additions to net assets attributed to:	
Investment Income:	
Interest Income	1,999
Dividend Income	7,859
Gain on Sale of Securities	1,992
Increase in Fair Value of Investments	44,738
	56,588
Contributions:	
Participants	66,117
Total Additions	122,705
Deductions from net assets attributed to:	
Benefits paid to participants	109,250
Plan administration expenses	1,200
Total Deductions	110,450
Increase in net assets	12,255
Net assets available for benefits - beginning	695,690
Net assets available for benefits - end	707,945

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

NOTES TO FINANCIAL STATEMENTS

FOR THE PLAN YEARS ENDED DECEMBER 31, 2012 AND 2011

1. Description of Plan:

The following description of the MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401(k) PLAN (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General
The Plan is a "salary reduction" or 401(k) plan covering all full-time union employees of MADELAINE CHOCOLATE NOVELTIES, INC. and Macho LLC. who have attained the age of 21, and who have at least three months of service, as defined. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions
Each year, participants may contribute up to 92% of pretax annual compensation, up to the maximum limit as defined in the Plan. Participants direct the investment of their contributions into various investment fund options offered by the Plan.

Participant Accounts
Each participant's account is credited with the participant's contributions. Participant accounts are also adjusted for actual gains and losses based on their selected investment fund options. Administrative expenses of the Plan are allocated to the participants accounts on a pro rata basis. The benefits to which a participant is entitled is the benefit that can be provided from the participant's account.

Benefits
Participants must take out all distributions as a lump sum. There is no longer an option to purchase a deferred annuity.

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

NOTES TO FINANCIAL STATEMENTS

FOR THE PLAN YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 2 – Summary of Significant Accounting Policies

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

Investment Valuation and Income Recognition
Investments, other than participant loans, are stated at fair value, as measured by quoted market prices. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Participant loans are stated at cost, which approximates fair value.

Payment of Benefits
Benefits are recorded when paid.

Note 3 – Investments
The plan offers various participant directed investment options. The following table presents the investments as of December 31, 2012 and 2011. Investments, other than participant loans, are stated at fair value based on quoted market prices. Participant loans are stated at cost, which approximates fair value. The information was obtained from data that has been prepared and certified to be complete and accurate by ING Institutional Plan Services, LLC, on behalf of Reliance Trust Company, the custodian of the Plan.

The following table presents the fair value of the Plan's investments.

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

NOTES TO FINANCIAL STATEMENTS

FOR THE PLAN YEAR ENDED DECEMBER 31, 2012

Investments at fair value as determined by quoted market prices.

*AIM Charter Fund	57,162
Alger Small Cap	1,417
Fidelity Adv. Free	2,025
Fidelity Adv. Free	10,281
Lord Abbett Affil.	15,578
Lord Abbett Mid-Cap	-0-
Lord Abbett Small Cap. Value	-0-
Legg Mason Aggressive Growth	11,869
*Legg Mason Appreciation	200,837
Legg Mason Growth Trust	24,850
Legg Mason Int'l, Equity Trust	16,471
Legg Mason Inv. Grade Bond Mid-Cap	33,190
Legg Mason Mid-Cap	1,366
*Legg Mason Short-Term Grade Bond	9,545
LMP Global High Yield	1,255
MFS Total Return Port	26,250
Pioneer Fund	532
*ING Money Market	266,002
Participants' Loan Fund	29,315
TOTAL	707,945

*Investments that represent 5% or more of the Plan's assets.

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

NOTES TO FINANCIAL STATEMENTS

FOR THE PLAN YEAR ENDED DECEMBER 31, 2011

Investments at fair value as determined by quoted market prices.

*AIM Charter Fund	45,869
Alger Small Cap	209
Fidelity Adv. Free	1,100
Fidelity Adv. Free	5,248
Lord Abbett Affil.	11,619
Lord Abbett Mid-Cap	4,887
Lord Abbett Small Cap. Value	1,455
Legg Mason Aggressive Growth	8,448
*Legg Mason Appreciation	194,109
Legg Mason Growth Trust	18,245
Legg Mason Int'l, Equity Trust	12,462
Legg Mason Inv. Grade Bond Mid-Cap	26,667
Legg Mason Mid-Cap	312
*Legg Mason Short-Term Grade Bond	49,118
LMP Global High Yield	595
MFS Total Return Port	22,273
*ING Money Market	241,945
Participants' Loan Fund	41,625
TOTAL	686,186

*Investments that represent 5% or more of the Plan's assets.

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

NOTES TO FINANCIAL STATEMENTS

FOR THE PLAN YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 4 – Plan Termination

Although it has not expressed any intent to do so, the Corporation has the right under the Plan to terminate the Plan subject to the provisions of ERISA.

Note 5 – Tax Status

As of August 31, 2009, the Plan was restated to comply with the requirements of the Economic Growth and Tax Relief and Reconciliation Act of 2001 (EGTRRA) and the Pension Protection Act Amendment (PPA Amendment).

Note 6 – Concentration of Credit Risk

Financial instruments, which potentially subject the Plan to concentrations of credit risk, consist principally of participant directed investment funds. The Plan places its investments with high credit quality investment managers to mitigate risk.

Note 7 – Participant Loans

The Plan allows for loans up to one half of a participant's account balance. Loans are repayable within a term of five years or less.

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

FOR THE PLAN YEAR ENDED DECEMBER 31, 2012

Marketable Securities - Mutual Funds	Cost	Current Value
*AIM Charter Fund	48,775	57,162
Alger Small Cap	1,489	1,417
Fidelity Adv. Free	1,945	2,025
Fidelity Adv. Free	9,836	10,281
Lord Abbett Affil.	16,542	15,578
Lord Abbett Mid-Cap	-0-	-0-
Lord Abbett Small Cap. Value	-0-	-0-
Legg Mason Aggressive Growth	10,229	11,869
*Legg Mason Appreciation	179,180	200,837
Legg Mason Growth Trust	25,090	24,850
Legg Mason Int'l. Equity Trust	20,159	16,471
Legg Mason Inv. Grade Bond	30,554	33,190
Legg Mason Mid-Cap	1278	1,366
*Legg Mason Short-Term Inv. Grade Bond	9,415	9,545
LMP Global High Yield	1,279	1,255
MFS Total Return Port	25,967	26,250
Pioneer Fund	616	532
*Western Asset Money Market	266,002	266,002
Participants' Loan Fund	29,315	29,315
TOTAL	677,671	707,945

*Investments that represent 5% or more the Plan's assets.

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

FOR THE PLAN YEAR ENDED DECEMBER 31, 2011

Marketable Securities - Mutual Funds	Cost	Current Value
*AIM Charter Fund	43,147	45,869
Alger Small Cap	199	209
Fidelity Adv. Free	1,139	1,100
Fidelity Adv. Free	5,485	5,248
Lord Abbett Affil.	14,320	11,619
Lord Abbett Mid-Cap	7,040	4,887
Lord Abbett Small Cap. Value	1,446	1,455
Legg Mason Aggressive Growth	8,051	8,448
*Legg Mason Appreciation	196,709	194,109
Legg Mason Growth Trust	21,443	18,245
Legg Mason Int'l. Equity Trust	17,662	12,462
Legg Mason Inv. Grade Bond	26,843	26,667
Legg Mason Mid-Cap	286	312
*Legg Mason Short-Term Inv. Grade Bond	48,631	49,118
LMP Global High Yield	703	595
MFS Total Return Port	23,941	22,273
*Western Asset Money Market	241,945	241,945
Participants' Loan Fund	41,625	41,625
TOTAL	700,615	686,186

*Investments that represent 5% or more of the Plan's assets.

Attachment to 2012 Form 5500

Schedule H, line 4i - Schedule of Assets

(Held at End of Year)

Madeline Chocolate Novelties, Inc.

EIN#11-1844700

Plan#004

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
	Alger SmCpGrw Inst Fnd- Cl I	Registered Investment Company		$1,417
	Fidlty Adv Free 2020 F - T	Registered Investment Company		$2,025
	Fidlty Adv Free 2025 F - T	Registered Investment Company		$10,281
*	ING Money Market Port-Cl I	Registered Investment Company		$266,002
	Invesco Charter Fund - Class A	Registered Investment Company		$57,162
	Legg Msn Battery Intl Eq Tr C	Registered Investment Company		$16,471
	Legg Msn Cap Mgmt Gl Grw Tr C	Registered Investment Company		$24,850
	Legg Msn ClrBrg Aggr Grw Fd A	Registered Investment Company		$11,869
	Legg Msn ClrBrg Apprec Fnd A	Registered Investment Company		$200,838
	Legg Msn ClrBrg MdCp Core Fd A	Registered Investment Company		$1,366
	Lord Abbett Affil Fd-P	Registered Investment Company		$15,578
	MFS Total Return Fund	Registered Investment Company		$26,250
	Pioneer Fund A	Registered Investment Company		$532
	WstAsst Corp Bd Fd A	Registered Investment Company		$33,190
	WstAsst Glbl High Yld Bnd F A	Registered Investment Company		$1,255
	WstAsst Short-Term Bond Fnd A	Registered Investment Company		$9,545
		Participant Loans - Rates 5.25% to 10.25%		$29,315
	TOTAL			$707,945

* denotes party-in-interest

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

RONNIE MILLMAN ZOLIN
CERTIFIED PUBLIC ACCOUNTANT

63 WATERBURY LANE
WESTBURY, NEW YORK 11590
TEL: 516-333-1238
FAX: 516-338-7516

October 9, 2013

MADELAINE CHOCOLATE NOVELTIES, INC.
96-03 Beach Channel Drive
Rockaway Beach, NY 11693

INDEPENDENT AUDITORS' REPORT

We were engaged to audit the financial statements of the Madelaine Chocolate Novelties Employee 401(k) Plan as of December 31, 2012 and December 31, 2011 and for the years ended December 31, 2012 and December 31, 2011, and the supplemental schedules as of December 31, 2012 and 2011. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 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 3, which was certified by ING Institutional Plan Services, LLC (formerly knows as Citistreet LLC) the custodian of the Plan, except for comparing such information with the related information included in the financial statements. 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 certifications from the custodian as of December 31, 2012 and for the year ended December 31, 2012 that the information provided to the Plan administrator by the custodian is complete and accurate.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plan as of December 31, 2012 and December 31, 2011, and changes in its financial status for the year then ended and information regarding net assets available for plan benefits and changes therein as of and for the year ended December 31, 2012 in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of investments accompanying the financial statements is presented for purposes of complying with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is not a required part of the basic financial statements. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Very truly yours,

RONNIE MILLMAN ZOLIN
CERTIFIED PUBLIC ACCOUNTANT

RMZ:edd
Enclosures

Statement 1

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2012	December 31, 2011
Assets		
Investments	678,630	644,561
Receivables		
Participants' contributions	0	9,504
Participants' loans	29,315	41,625
Total Receivables	29,315	51,129
Net Assets Available for Plan Benefits	707,945	695,690

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2012

Additions to net assets attributed to:	
Investment Income:	
Interest Income	1,999
Dividend Income	7,859
Gain on Sale of Securities	1,992
Increase in Fair Value of Investments	44,738
	56,588
Contributions:	
Participants	66,117
Total Additions	122,705
Deductions from net assets attributed to:	
Benefits paid to participants	109,250
Plan administration expenses	1,200
Total Deductions	110,450
Increase in net assets	12,255
Net assets available for benefits - beginning	695,690
Net assets available for benefits - end	707,945

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

NOTES TO FINANCIAL STATEMENTS

FOR THE PLAN YEARS ENDED DECEMBER 31, 2012 AND 2011

1. Description of Plan:

The following description of the MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401(k) PLAN (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General
The Plan is a "salary reduction" or 401(k) plan covering all full-time union employees of MADELAINE CHOCOLATE NOVELTIES, INC. and Macho LLC. who have attained the age of 21, and who have at least three months of service, as defined. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions
Each year, participants may contribute up to 92% of pretax annual compensation, up to the maximum limit as defined in the Plan. Participants direct the investment of their contributions into various investment fund options offered by the Plan.

Participant Accounts
Each participant's account is credited with the participant's contributions. Participant accounts are also adjusted for actual gains and losses based on their selected investment fund options. Administrative expenses of the Plan are allocated to the participants accounts on a pro rata basis. The benefits to which a participant is entitled is the benefit that can be provided from the participant's account.

Benefits
Participants must take out all distributions as a lump sum. There is no longer an option to purchase a deferred annuity.

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

NOTES TO FINANCIAL STATEMENTS

FOR THE PLAN YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 2 – Summary of Significant Accounting Policies

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

Investment Valuation and Income Recognition
Investments, other than participant loans, are stated at fair value, as measured by quoted market prices. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Participant loans are stated at cost, which approximates fair value.

Payment of Benefits
Benefits are recorded when paid.

Note 3 – Investments
The plan offers various participant directed investment options. The following table presents the investments as of December 31, 2012 and 2011. Investments, other than participant loans, are stated at fair value based on quoted market prices. Participant loans are stated at cost, which approximates fair value. The information was obtained from data that has been prepared and certified to be complete and accurate by ING Institutional Plan Services, LLC, on behalf of Reliance Trust Company, the custodian of the Plan.

The following table presents the fair value of the Plan's investments.

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

NOTES TO FINANCIAL STATEMENTS

FOR THE PLAN YEAR ENDED DECEMBER 31, 2012

Investments at fair value as determined by quoted market prices.

*AIM Charter Fund	57,162
Alger Small Cap	1,417
Fidelity Adv. Free	2,025
Fidelity Adv. Free	10,281
Lord Abbett Affil.	15,578
Lord Abbett Mid-Cap	-0-
Lord Abbett Small Cap. Value	-0-
Legg Mason Aggressive Growth	11,869
*Legg Mason Appreciation	200,837
Legg Mason Growth Trust	24,850
Legg Mason Int'l, Equity Trust	16,471
Legg Mason Inv. Grade Bond Mid-Cap	33,190
Legg Mason Mid-Cap	1,366
*Legg Mason Short-Term Grade Bond	9,545
LMP Global High Yield	1,255
MFS Total Return Port	26,250
Pioneer Fund	532
*ING Money Market	266,002
Participants' Loan Fund	29,315
TOTAL	707,945

*Investments that represent 5% or more of the Plan's assets.

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

NOTES TO FINANCIAL STATEMENTS

FOR THE PLAN YEAR ENDED DECEMBER 31, 2011

Investments at fair value as determined by quoted market prices.

*AIM Charter Fund	45,869
Alger Small Cap	209
Fidelity Adv. Free	1,100
Fidelity Adv. Free	5,248
Lord Abbett Affil.	11,619
Lord Abbett Mid-Cap	4,887
Lord Abbett Small Cap. Value	1,455
Legg Mason Aggressive Growth	8,448
*Legg Mason Appreciation	194,109
Legg Mason Growth Trust	18,245
Legg Mason Int'l, Equity Trust	12,462
Legg Mason Inv. Grade Bond Mid-Cap	26,667
Legg Mason Mid-Cap	312
*Legg Mason Short-Term Grade Bond	49,118
LMP Global High Yield	595
MFS Total Return Port	22,273
*ING Money Market	241,945
Participants' Loan Fund	41,625
TOTAL	686,186

*Investments that represent 5% or more of the Plan's assets.

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

NOTES TO FINANCIAL STATEMENTS

FOR THE PLAN YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 4 – Plan Termination

Although it has not expressed any intent to do so, the Corporation has the right under the Plan to terminate the Plan subject to the provisions of ERISA.

Note 5 – Tax Status

As of August 31, 2009, the Plan was restated to comply with the requirements of the Economic Growth and Tax Relief and Reconciliation Act of 2001 (EGTRRA) and the Pension Protection Act Amendment (PPA Amendment).

Note 6 – Concentration of Credit Risk

Financial instruments, which potentially subject the Plan to concentrations of credit risk, consist principally of participant directed investment funds. The Plan places its investments with high credit quality investment managers to mitigate risk.

Note 7 – Participant Loans

The Plan allows for loans up to one half of a participant's account balance. Loans are repayable within a term of five years or less.

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

FOR THE PLAN YEAR ENDED DECEMBER 31, 2012

Marketable Securities - Mutual Funds	Cost	Current Value
*AIM Charter Fund	48,775	57,162
Alger Small Cap	1,489	1,417
Fidelity Adv. Free	1,945	2,025
Fidelity Adv. Free	9,836	10,281
Lord Abbett Affil.	16,542	15,578
Lord Abbett Mid-Cap	-0-	-0-
Lord Abbett Small Cap. Value	-0-	-0-
Legg Mason Aggressive Growth	10,229	11,869
*Legg Mason Appreciation	179,180	200,837
Legg Mason Growth Trust	25,090	24,850
Legg Mason Int'l. Equity Trust	20,159	16,471
Legg Mason Inv. Grade Bond	30,554	33,190
Legg Mason Mid-Cap	1278	1,366
*Legg Mason Short-Term Inv. Grade Bond	9,415	9,545
LMP Global High Yield	1,279	1,255
MFS Total Return Port	25,967	26,250
Pioneer Fund	616	532
*Western Asset Money Market	266,002	266,002
Participants' Loan Fund	29,315	29,315
TOTAL	677,671	707,945

*Investments that represent 5% or more the Plan's assets.

MADELAINE CHOCOLATE NOVELTIES EMPLOYEE 401K PLAN

PLAN #004

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

FOR THE PLAN YEAR ENDED DECEMBER 31, 2011

Marketable Securities - Mutual Funds	Cost	Current Value
*AIM Charter Fund	43,147	45,869
Alger Small Cap	199	209
Fidelity Adv. Free	1,139	1,100
Fidelity Adv. Free	5,485	5,248
Lord Abbett Affil.	14,320	11,619
Lord Abbett Mid-Cap	7,040	4,887
Lord Abbett Small Cap. Value	1,446	1,455
Legg Mason Aggressive Growth	8,051	8,448
*Legg Mason Appreciation	196,709	194,109
Legg Mason Growth Trust	21,443	18,245
Legg Mason Int'l. Equity Trust	17,662	12,462
Legg Mason Inv. Grade Bond	26,843	26,667
Legg Mason Mid-Cap	286	312
*Legg Mason Short-Term Inv. Grade Bond	48,631	49,118
LMP Global High Yield	703	595
MFS Total Return Port	23,941	22,273
*Western Asset Money Market	241,945	241,945
Participants' Loan Fund	41,625	41,625
TOTAL	700,615	686,186

*Investments that represent 5% or more of the Plan's assets.