# 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
VINYL TECHNOLOGY INC 401(K) PROFIT SHARING PLAN & TRUST

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

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

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

VINYL TECHNOLOGY INC

200 RAILROAD AVE
MONROVIA, CA 91016

**2b** Employer Identification Number (EIN)
95-3784784

**2c** Sponsor's telephone number
626-443-5257

**2d** Business code (see instructions)
339900

**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 | VINYL TECHNOLOGY INC |
| | **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** | 233 |
| **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** | 241 |
| **b** | Retired or separated participants receiving benefits | **6b** | 0 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 0 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 241 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 241 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 38 |
| **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:
2A 2E 2F 2G 2H 2J 2K 2T 3D

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

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

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

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

| | | |
|---|---|---|
| **(1)** | [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)** | [ ] | **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)** | [ ] | | **C** (Service Provider Information) |
| **(5)** | [ ] | | **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
VINYL TECHNOLOGY INC 401(K) PROFIT SHARING PLAN & TRUST

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
VINYL TECHNOLOGY INC

**D** Employer Identification Number (EIN)
95-3784784

## 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

JOHN HANCOCK LIFE INS. CO. USA

| (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 |
| 01-0233346 | 65838 | | 0 | 01/01/2012 | 01/14/2013 |

**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 |
|---|---|
| 4371 | 359 |

**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

HUB INTERNATIONAL INSURANCE IN
4371 LATHAM STREET
SUITE 101
RIVERSIDE, CA 92501

| (b) Amount of sales and base commissions paid | Fees and other commissions paid | | (e) Organization code |
|---|---|---|---|
| | (c) Amount | (d) Purpose | |
| 1827 | | | 3 |

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

FINANCIAL TELESIS INC
145 HODENCAMP ROAD
SUITE 202
THOUSAND OAKS, CA 91360

| (b) Amount of sales and base commissions paid | Fees and other commissions paid | | (e) Organization code |
|---|---|---|---|
| | (c) Amount | (d) Purpose | |
| 2544 | | | 3 |

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

ACTUARIAL BENEFITS CORP.
2790 SKYPARK DRIVE
SUITE 300
TORRANCE, CA 90503

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| 359 | | | 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 | |
| | | | |

## 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 | 0 |
| 5 | Current value of plan's interest under this contract in separate accounts at year end | 5 | 0 |

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶ 0

| | | | |
|---|---|---|---|
| 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 ANNUITY

| | | | | | |
|---|---|---|---|---|---|
| b | Balance at the end of the previous year | | | 7b | 17151 |
| c | Additions: (1) Contributions deposited during the year | 7c(1) | 8128 | | |
| | (2) Dividends and credits | 7c(2) | 0 | | |
| | (3) Interest credited during the year | 7c(3) | 286 | | |
| | (4) Transferred from separate account | 7c(4) | 0 | | |
| | (5) Other (specify below) | 7c(5) | 0 | | |
| | ▶ | | | | |
| | (6) Total additions | | | 7c(6) | 8414 |
| d | Total of balance and additions (add lines **7b** and **7c(6)**). | | | 7d | 25565 |
| e | Deductions: | | | | |
| | (1) Disbursed from fund to pay benefits or purchase annuities during year | 7e(1) | 25386 | | |
| | (2) Administration charge made by carrier | 7e(2) | 160 | | |
| | (3) Transferred to separate account | 7e(3) | 0 | | |
| | (4) Other (specify below) | 7e(4) | 19 | | |
| | ▶ MARKET VALUE ADJUSTMENT | | | | |
| | (5) Total deductions | | | 7e(5) | 25565 |
| f | Balance at the end of the current year (subtract line **7e(5)** from line **7d**) | | | 7f | 0 |

## 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)** | 0 |
| **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)** | 0 |
| **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)** | 0 |
| (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 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
VINYL TECHNOLOGY INC 401(K) PROFIT SHARING PLAN & TRUST

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
VINYL TECHNOLOGY INC

**D** Employer Identification Number (EIN)
95-3784784

## 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 | 777 | 0 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 0 | |
| **(2)** Participant contributions | 1b(2) | 0 | |
| **(3)** Other | 1b(3) | 0 | |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 0 | 710980 |
| **(2)** U.S. Government securities | 1c(2) | 0 | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | 0 | |
| **(B)** All other | 1c(3)(B) | 0 | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | 0 | |
| **(B)** Common | 1c(4)(B) | 0 | |
| **(5)** Partnership/joint venture interests | 1c(5) | 0 | |
| **(6)** Real estate (other than employer real property) | 1c(6) | 0 | |
| **(7)** Loans (other than to participants) | 1c(7) | 0 | |
| **(8)** Participant loans | 1c(8) | 31149 | 23574 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 0 | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | 0 | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | 0 | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 522819 | 16033 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | 17415 | |
| **(15)** Other | 1c(15) | 0 | |

| | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **1d** Employer-related investments: | | | |
| **(1)** Employer securities | 1d(1) | 0 | |
| **(2)** Employer real property | 1d(2) | 0 | |
| **e** Buildings and other property used in plan operation | 1e | 0 | |
| **f** Total assets (add all amounts in lines 1a through 1e) | 1f | 572160 | 750587 |
| **Liabilities** | | | |
| **g** Benefit claims payable | 1g | 0 | |
| **h** Operating payables | 1h | 0 | |
| **i** Acquisition indebtedness | 1i | 0 | |
| **j** Other liabilities | 1j | 0 | |
| **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 | 572160 | 750587 |

## 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) | 44184 | |
| **(B)** Participants | 2a(1)(B) | 88849 | |
| **(C)** Others (including rollovers) | 2a(1)(C) | 0 | |
| **(2)** Noncash contributions | 2a(2) | | |
| **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 133033 |
| **b Earnings on investments:** | | | |
| **(1)** Interest: | | | |
| **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 287 | |
| **(B)** U.S. Government securities | 2b(1)(B) | 0 | |
| **(C)** Corporate debt instruments | 2b(1)(C) | 0 | |
| **(D)** Loans (other than to participants) | 2b(1)(D) | 0 | |
| **(E)** Participant loans | 2b(1)(E) | 1533 | |
| **(F)** Other | 2b(1)(F) | 0 | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 1820 |
| **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | 0 | |
| **(B)** Common stock | 2b(2)(B) | 0 | |
| **(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) | | 0 |
| **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | 0 | |
| **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | 0 | |
| **(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) | 0 | |
| **(B)** Other | 2b(5)(B) | 0 | |
| **(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) | | 0 |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | 0 |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | 0 |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | 0 |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | 46066 |
| c Other income | 2c | | 0 |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 180919 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 0 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | 0 | |
| (3) Other | 2e(3) | 0 | |
| (4) Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 0 |
| f Corrective distributions (see instructions) | 2f | | 0 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | 0 |
| h Interest expense | 2h | | 0 |
| i Administrative expenses: **(1)** Professional fees | 2i(1) | 2492 | |
| (2) Contract administrator fees | 2i(2) | 0 | |
| (3) Investment advisory and management fees | 2i(3) | 0 | |
| (4) Other | 2i(4) | 0 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 2492 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 2492 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 178427 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | 0 |
| (2) From this plan | 2l(2) | | 0 |

## 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: DNW & ASSOCIATES, INC. **(2)** EIN: 20-4183051

**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 | |
| 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 |
|---|---|
| | |

# VINYL TECHNOLGY, INC.
# EMPLOYEES' 401(k) PLAN

Financial Statements

December 31, 2012 and 2011

# VINYL TECHNOLOGY, INC. EMPLOYEES' 401(k) PLAN

Contents


| | Page |
|---|---|
| Independent auditors' report | 1 |
| Financial statements: | |
| Statements of net assets available for benefits | 2 |
| Statements of changes in net assets available for benefits | 3 |
| Notes to financial statements | 4-8 |

**DNW & ASSOCIATES, INC.**
**CERTIFIED PUBLIC ACCOUNTANTS**
**9550 FLAIR DR. SUITE 307**
**EL MONTE, CA 91731**

*Tel: 626-452-1149*
*Eric Wu, CPA* *Fax: 626-452-1156*

# Independent Auditors' Report

**To the trustees and participants of**
**Vinyl Technology, Inc. Employees' 401(k) Plan**
**Monrovia, California**

We were engaged to audit the accompanying statements of net assets available for benefits of Vinyl Technology, Inc. Employees' 401(k) Plan as of December 31, 2012 and the related statements of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management.

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 the notes to the financial statements, which was certified by John Hancock Life Insurance Company, asset holder of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the asset holder holds the Plan's investment assets and executes investment transactions.

Because of the significance of the information in the Plan's financial statements and supplementary schedule that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements taken as a whole. The form and content of the information included in the financial statements, other than that derived from the information certified by the asset holder, have been audited by us in accordance with auditing standards generally accepted in the United States 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.

El Monte, California
**September 5, 2013**

## Statements of Net Assets Available for Benefits

| ASSETS | | |
|---|---|---|
| December 31, | 2012 | 2011 |
| Cash | $ -- | $ 777 |
| Investments, at fair value: | | |
| Money market fund | 710,980 | |
| Mutual funds | 16,033 | 522,819 |
| Guaranteed interest contracts | -- | 17,415 |
| Receivables: | | |
| Loans to participants | 23,574 | 31,149 |
| Total assets | $ 750,587 | $ 572,160 |
| LIABILITIES | | |
| Total liabilities | -- | -- |
| Net assets available for benefits | $ 750,587 | $ 572,160 |

***The accompanying notes are an integral part of these financial statements.***

## Statements of Changes in Net Assets Available for Benefits

| Years ended December 31, | 2012 | 2011 |
|---|---|---|
| Additions to net assets: | | |
| Net increase (decrease) in fair value of mutual funds | $ 46,066 | $ ( 9,678) |
| Interest income | 1,820 | 1,801 |
| Redeposit of stale check | -- | 167 |
| Participant contributions | 88,849 | 81,816 |
| Employer contributions | 44,184 | 39,607 |
| Total additions | 180,919 | 113,713 |
| Deductions from net assets: | | |
| Benefits paid to participants | -- | 15,837 |
| Professional fees | 2,492 | 7,292 |
| Total deductions | 2,492 | 23,129 |
| Net increase (decrease) | 178,427 | 90,584 |
| Net assets available for benefits, beginning of year | 572,160 | 481,576 |
| Net assets available for benefits, end of year | $ 750,587 | $ 572,160 |

***The accompanying notes are an integral part of these financial statements.***

## Notes to Financial Statements

**Description of plan:**

**General:** Vinyl Technology, Inc. Employees' 401(k) Plan ("Plan") is a defined contribution plan covering all full-time employees of Vinyl Technology, Inc. ("Company") who have at least twelve months of service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

**Contributions:** Participants may contribute up to 100% of eligible compensation, not to exceed the limits set by Internal Revenue Code. Participants may also contribute amounts representing distributions from other qualified plans (rollover contributions). Company matches 100% of the first 3% of the participants' deferral amount plus 50% of deferrals that exceeds 3% but not to exceed 5% of the compensation.

**Participant accounts:** Participant accounts are credited with the participant's contribution and allocations of the Company's matching contribution and plan earnings, and charged with an allocation of administrative expenses not paid for by the Company. Allocations are based on participant account balances as defined in the Plan agreement. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

**Vesting:** Participants are immediately vested in their voluntary contributions. The Company's contribution is subject to a vesting schedule. Vesting is based on years of continuous service as follows:

| Years of service | Percentage |
|---|---|
| 1 | 0% |
| 2 | 20% |
| 3 | 40% |
| 4 | 60% |
| 5 | 80% |
| 6 | 100% |

**Participant notes receivable:** Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum of $50,000 or 50 percent of their account balance, whichever is less. The loans are secured by the participant's account and bear interest at rates commensurate with local prevailing rates. Loan terms generally range from one to five years and repayments are deducted from each payroll.

## Notes to Financial Statements (continued)

**Description of plan (continued):**

**Payment of benefits:** On termination of employment, a participant may elect to receive distribution of their account balance in several ways as defined in the Plan agreement including a lump sum cash payout and various forms of annuities. Benefits are recorded when paid. Participants also may elect to receive a hardship withdrawal. With the plan administrator's approval, participants may withdraw all or part of their aggregate contributions in the event of financial hardship.

**Plan expenses:** Administrative expenses are paid by the Company, except for fees relating to distributions and participant loan processing, which are paid from the individual participant's accounts.

**Forfeiture Allocation** The unvested portion of a terminated participant's employer account will be forfeited and used to reduce future Company contributions or to pay Plan expenses.

**Summary of significant accounting policies:**

**Basis of accounting:** The Plan's financial statements are prepared using the accrual method of accounting. Benefits are recorded when paid.

**Investment valuation and income recognition:** The Plan's investments in mutual funds are stated at fair value. Investments are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end.

**Use of estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

**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 the Plan's termination, participants will become 100% vested in their accounts.

**Tax status:** The Internal Revenue Service has determined and informed the Company by a letter dated January 11, 2002, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code. Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

## Notes to Financial Statements (continued)

**Fair Value Measurement:**

The Plan adopted Accounting Standards Codification (ASC) Topic 820, "Fair Value Measurements" (ASC Topic 820), 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 the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC Topic 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 measurement.

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 description of the valuation methodologies used for assets measured at fair value.

*Mutual funds*: Valued at the net asset value ("NAV") of shares held by the Plan at year end.

*Participant loans*: Valued at amortized cost, which approximates fair value.

## Notes to Financial Statements (continued)

**Fair Value Measurement (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:

| | Assets at Fair Value as of December 31, 2012 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Money Market Fund | 710,980 | - | - | 710,980 |
| Mutual funds | 16,033 | - | - | 16,033 |
| Participant loans | - | - | 23,574 | 23,574 |
| **Total** | 727,013 | - | 23,574 | 750,587 |

| | Assets at Fair Value as of December 31, 2011 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | 522,819 | - | - | 522,819 |
| Participant loans | - | - | 31,149 | 31,149 |
| **Total** | 522,819 | - | 31,149 | 553,968 |

**Exempt Party-In-Interest Transactions:**

Certain Plan investments are shares of mutual funds managed by John Hancock Life Insurance Company. John Hancock is the trustee as defined by the Plan, and therefore, these transactions qualify as exempt party-in-interest transactions. Fees paid by the Plan to the trustee amounted to $2,492 and $7,292 for the years ended December 31, 2012 and 2011, respectively. Loans receivable from participants and the related interest income are also considered related-party transactions.

**Subsequent Events:**

The subsequent events have been evaluated through September 5, 2013.

## Notes to Financial Statements (continued)

**Investment information certified as complete and accurate by trustee:**

The following information in the accompanying financial statements was obtained from data that has been prepared and certified to be as complete and accurate by John Hancock Life Insurance Company and Mid Atlantic Trust Company, the asset holders of the Plan. The following table presents the fair value of investments as of December 31, 2012 and 2011.

FAIR VALUE OF INVESTMENTS
SCHEDULE H, LINE 4I – SCHEDULE OF ASSETS (HELD AT YEAR-END)
December 31, 2012 and 2011

| | | | 2012 | | 2011 |
|---|---|---|---|---|---|
| | Investments at fair value as determined by quoted market price: | | | | |
| | JPM Government Bond | | $ 318 | | $ -- |
| | AMFDS Washington Mutual | | 21 | | -- |
| | Victory Est Val | | 189 | | -- |
| | MFS Research International | | 33 | | -- |
| | PL PRT Opt Mod | ** | 10,169 | | -- |
| | L A SM Cap Val | | 412 | | -- |
| | OPP Develop Mkt | | 742 | | -- |
| | LM CBA Apprction | | 187 | | -- |
| | N B High Inc Bond | | 926 | | -- |
| | Prontl Jenn Grw | | 104 | | -- |
| | PL PRT Opt Cons | | 1272 | | -- |
| | PL PRT Opt Modcon | | 324 | | -- |
| | TRP Rtmt 2020 | | 21 | | -- |
| | TRP Rtmt 2010 | | 43 | | -- |
| | AMFDS Nw Prspct | | 99 | | -- |
| | Pimco Total Return | | 197 | | -- |
| | MFS New Discovery | | 8 | | -- |
| | PLF PRT Opt Modag | | 770 | | -- |
| | TRP Rtmt 2030 | | 13 | | -- |
| | TRP Rtmt 2025 | | 24 | | -- |
| | FA Small Cap Value | | 89 | | -- |
| | Col Mid Cap Growth | | 72 | | -- |
| | Fidelity Cash Reserve Account | ** | 710,980 | | -- |
| *** | Lifestyle – Conservative Fund | | -- | | 18,432 |
| *** | Lifestyle – Moderate Fund | | -- | | 1,784 |
| *** | Lifestyle – Balanced Fund | | -- | ** | 92,065 |
| *** | Lifestyle – Growth Fund | | -- | ** | 28,713 |
| *** | Lifestyle – Aggressive Fund | | -- | ** | 71,077 |
| *** | Short Term Fund | | -- | | 5,948 |
| *** | Total Return Fund | | -- | | 17,672 |
| *** | Domini Social Equity Fund | | -- | | 4,255 |
| *** | Legg Partners Aggressive Growth Fund | | -- | ** | 21,452 |
| *** | VS Cap App | | -- | | 6,255 |
| *** | VS Blucp | | -- | | 14,765 |
| *** | Small-Mid Cap Growth Fund | | -- | | 5,365 |
| *** | Developing Market Fund | | -- | | 7,154 |
| *** | Science&Technology Fund | | -- | | 13,374 |
| *** | Money Market Fund | | -- | ** | 187,359 |
| *** | Quantative Value Fund | | -- | | 1,983 |
| *** | 500 Index Fund | | -- | | 15,130 |
| *** | Quantative All Cap Fund | | -- | | 1,527 |
| *** | American Century Heritage | | -- | | 8,509 |
| | | | 727,013 | | 522,819 |
| | Investments at estimated fair value: | | | | |
| *** | Loans receivable from participants | | 23,574 | | 31,149 |
| | Total investments | | $ 750,587 | | $ 553,968 |

****Represents investments over 5% or more of the Plan's net assets**

***A party-in-interest as defined by ERISA. Identity of issue, lessor or similar party would be John Hancock

## Notes to Financial Statements (continued)

**Investment information certified as complete and accurate by trustee:**

The following information in the accompanying financial statements was obtained from data that has been prepared and certified to be as complete and accurate by John Hancock Life Insurance Company and Mid Atlantic Trust Company, the asset holders of the Plan. The following table presents the fair value of investments as of December 31, 2012 and 2011.

FAIR VALUE OF INVESTMENTS
SCHEDULE H, LINE 4I – SCHEDULE OF ASSETS (HELD AT YEAR-END)
December 31, 2012 and 2011

| | | | 2012 | | 2011 |
|---|---|---|---|---|---|
| | Investments at fair value as determined by quoted market price: | | | | |
| | JPM Government Bond | | $ 318 | | $ -- |
| | AMFDS Washington Mutual | | 21 | | -- |
| | Victory Est Val | | 189 | | -- |
| | MFS Research International | | 33 | | -- |
| | PL PRT Opt Mod | ** | 10,169 | | -- |
| | L A SM Cap Val | | 412 | | -- |
| | OPP Develop Mkt | | 742 | | -- |
| | LM CBA Apprction | | 187 | | -- |
| | N B High Inc Bond | | 926 | | -- |
| | Prontl Jenn Grw | | 104 | | -- |
| | PL PRT Opt Cons | | 1272 | | -- |
| | PL PRT Opt Modcon | | 324 | | -- |
| | TRP Rtmt 2020 | | 21 | | -- |
| | TRP Rtmt 2010 | | 43 | | -- |
| | AMFDS Nw Prspct | | 99 | | -- |
| | Pimco Total Return | | 197 | | -- |
| | MFS New Discovery | | 8 | | -- |
| | PLF PRT Opt Modag | | 770 | | -- |
| | TRP Rtmt 2030 | | 13 | | -- |
| | TRP Rtmt 2025 | | 24 | | -- |
| | FA Small Cap Value | | 89 | | -- |
| | Col Mid Cap Growth | | 72 | | -- |
| | Fidelity Cash Reserve Account | ** | 710,980 | | -- |
| *** | Lifestyle – Conservative Fund | | -- | | 18,432 |
| *** | Lifestyle – Moderate Fund | | -- | | 1,784 |
| *** | Lifestyle – Balanced Fund | | -- | ** | 92,065 |
| *** | Lifestyle – Growth Fund | | -- | ** | 28,713 |
| *** | Lifestyle – Aggressive Fund | | -- | ** | 71,077 |
| *** | Short Term Fund | | -- | | 5,948 |
| *** | Total Return Fund | | -- | | 17,672 |
| *** | Domini Social Equity Fund | | -- | | 4,255 |
| *** | Legg Partners Aggressive Growth Fund | | -- | ** | 21,452 |
| *** | VS Cap App | | -- | | 6,255 |
| *** | VS Blucp | | -- | | 14,765 |
| *** | Small-Mid Cap Growth Fund | | -- | | 5,365 |
| *** | Developing Market Fund | | -- | | 7,154 |
| *** | Science&Technology Fund | | -- | | 13,374 |
| *** | Money Market Fund | | -- | ** | 187,359 |
| *** | Quantative Value Fund | | -- | | 1,983 |
| *** | 500 Index Fund | | -- | | 15,130 |
| *** | Quantative All Cap Fund | | -- | | 1,527 |
| *** | American Century Heritage | | -- | | 8,509 |
| | | | 727,013 | | 522,819 |
| | Investments at estimated fair value: | | | | |
| *** | Loans receivable from participants | | 23,574 | | 31,149 |
| | Total investments | | $ 750,587 | | $ 553,968 |

****Represents investments over 5% or more of the Plan's net assets**

***A party-in-interest as defined by ERISA. Identity of issue, lessor or similar party would be John Hancock