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
RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 05/01/1956

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

MEMORIAL HEALTH SYSTEM OF EAST TX

1201 WEST FRANK AVENUE
LUFKIN, TX 75901

1201 WEST FRANK AVENUE
LUFKIN, TX 75901

2b Employer Identification Number (EIN) 75-0755367

2c Sponsor's telephone number 936-634-8111

2d Business code (see instructions) 622000

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	KEN MILLER
	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 ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address

RETIREMENT COMMITTEE

PO BOX 1447
LUFKIN, TX 75902-1447

3b Administrator's EIN
75-1516079

3c Administrator's telephone number
936-634-8111

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

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	1181
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**	350
b	Retired or separated participants receiving benefits	**6b**	283
c	Other retired or separated participants entitled to future benefits	**6c**	497
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	1130
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	40
f	Total. Add lines **6d** and **6e**	**6f**	1170
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
1G 1A

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

9a Plan funding arrangement (check all that apply)

(1)	☐	Insurance
(2)	☐	Code section 412(e)(3) insurance contracts
(3)	☒	Trust
(4)	☐	General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	☐	Insurance
(2)	☐	Code section 412(e)(3) insurance contracts
(3)	☒	Trust
(4)	☐	General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2012

This Form is Open to Public Inspection

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

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

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

A Name of plan
RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
MEMORIAL HEALTH SYSTEM OF EAST TX

D Employer Identification Number (EIN)
75-0755367

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1	Enter the valuation date: Month 01 Day 01 Year 2012			
2	Assets:			
	a Market value		**2a**	28808502
	b Actuarial value		**2b**	28808502
3	Funding target/participant count breakdown:		**(1)** Number of participants	**(2)** Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	304	15046281
	b For terminated vested participants	**3b**	503	8082572
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		3544297
	(2) Vested benefits	**3c(2)**		5814717
	(3) Total active	**3c(3)**	374	9359014
	d Total	**3d**	1181	32487867
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions		**4a**	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		**4b**	
5	Effective interest rate		**5**	7.05 %
6	Target normal cost		**6**	321000

Statement by Enrolled Actuary

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

SIGN HERE

Signature of actuary

10/11/2013
Date

STEVEN C ERICKSON
Type or print name of actuary

11-04118
Most recent enrollment number

TOWERS WATSON DELAWARE INC
Firm name

214-530-4200
Telephone number (including area code)

500 N AKARD ST SUITE 4100
DALLAS, TX 75201
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of Year Carryover Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)		
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9	Amount remaining (line 7 minus line 8)		
10	Interest on line 9 using prior year's actual return of 0.18%		
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		216565
	b Interest on (a) using prior year's effective interest rate of 6.31% except as otherwise provided (see instructions)		13665
	c Total available at beginning of current plan year to add to prefunding balance		230230
	d Portion of (c) to be added to prefunding balance		230230
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)		230230

Part III Funding Percentages

14	Funding target attainment percentage	14	87.96 %
15	Adjusted funding target attainment percentage	15	87.96 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	83.72 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/25/2012	225000		03/20/2012	55000	
08/20/2012	225000		03/19/2012	170000	
07/24/2012	225000		02/27/2012	170000	
06/26/2012	225000		01/30/2012	170000	
05/21/2012	225000				
04/20/2012	225000				
			Totals ► 18(b)	1915000	18(c)

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	
	b Contributions made to avoid restrictions adjusted to valuation date	19b	
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	1862178

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
5.54%	6.85%	7.52 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	65

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	**28**	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	321000
b Excess assets, if applicable, but not greater than line 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	3909595	1244490
b Waiver amortization installment		

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	1565490

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement			

36 Additional cash requirement (line 34 minus line 35)	**36**	1565490
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	1862178

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	296688
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	
40 Unpaid minimum required contributions for all years	**40**	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

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
RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
MEMORIAL HEALTH SYSTEM OF EAST TX

D Employer Identification Number (EIN)
75-0755367

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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(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)

TOWERS WATSON

500 N AKARD ST SUITE 4100
DALLAS, TX 75201

53-0181291

(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?
11	NONE	77454	Yes [ ] No [X]	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 [ ]

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: RICHARD B. MALLETT EA 11-04026	**b** EIN: 23-1159360	
c Position: ACTUARY		
d Address: 500 N AKARD SUITE 4100 DALLAS, TX 75201	**e** Telephone: 214-530-4418	

Explanation: RICHARD B. MALLETT RETIRED FROM TOWERS WATSON. THE NEW ACTUARY, STEVEN C. ERICKSON, EA 11-04118 TOOK HIS PLACE. STEVEN C.ERICKSON WORKS FOR TOWERS WATSON ALSO. HIS ADDRESS IS 500 N AKARD, SUITE 4100, DALLAS, TX 75201

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
RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
MEMORIAL HEALTH SYSTEM OF EAST TX

D Employer Identification Number (EIN)
75-0755367

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	29928	13956
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	2593751	2505352
(2) U.S. Government securities	1c(2)	3707637	2553911
(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)	3978466	4424636
(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)		
(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)		
(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)	18528648	22885476
(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	28838430	32383331
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	16451	17812
k Total liabilities (add all amounts in lines 1g through1j)	1k	16451	17812
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	28821979	32365519

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)	1915000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1915000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	37849	
(B) U.S. Government securities	2b(1)(B)	67033	
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		104882
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	101977	
(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)		101977
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	11367624	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	11673551	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		-305927
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	439316	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		439316

		(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)		3163058
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		5418306
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1635685	
(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)		1635685
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)	77454	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	67507	
(4) Other	2i(4)	94120	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		239081
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1874766
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		3543540
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: AXLEY & RODE, LLP **(2)** EIN: 75-0767305

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		1000000
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
RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
MEMORIAL HEALTH SYSTEM OF EAST TX

D Employer Identification Number (EIN)
75-0755367

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1**

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): _____ _____

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

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3** 0

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: 84.3% Investment-Grade Debt: 15.6% High-Yield Debt: _____% Real Estate: _____% Other: 0.1%

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):

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITORS' REPORT

RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS

Lufkin, Texas

December 31, 2012 and 2011

AXLEY & RODE, LLP
CERTIFIED PUBLIC ACCOUNTANTS

C O N T E N T S

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Schedule of Reportable Transactions 25

INDEPENDENT AUDITORS' REPORT

Retirement Committee
Retirement Plan for Employees of
Memorial Health System of East Texas
Lufkin, Texas

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Memorial Health System of East Texas Retirement Plan for Employees (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, the related statements of changes in net assets available for benefits for the years then ended, the statement of accumulated plan benefits as of January 1, 2012, and the related statement of changes in the accumulated plan benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor'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 H, which was certified by First Bank & Trust East Texas, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2012 and 2011, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of assets held for investment (end of plan year) and reportable transactions, which are the responsibility of plan management, are presented for the purpose of additional analysis and are not a required part of the financial statements but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedules referred to above.

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Lufkin, Texas
October 10, 2013

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

	DECEMBER 31, 2012	DECEMBER 31, 2011
ASSETS		
Investments at Fair Value:		
Short-term money market funds and cash	$ 494 573	$ 622 462
Certificates of deposit	2 010 779	1 971 289
U. S. Government bonds and agency securities	2 553 911	3 707 637
Corporate stocks	4 424 636	3 978 466
Mutual funds	22 885 476	18 528 648
TOTAL INVESTMENTS	32 369 375	28 808 502
Receivables:		
Contribution receivable	-	-
Accrued interest receivable	13 956	29 928
TOTAL RECEIVABLES	13 956	29 928
TOTAL ASSETS	32 383 331	28 838 430
LIABILITIES		
Accrued expenses	17 812	16 451
TOTAL LIABILITIES	17 812	16 451
NET ASSETS AVAILABLE FOR PLAN BENEFITS	$ 32 365 519	$ 28 821 979

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

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
For the Years Ended December 31, 2012 and 2011

	2012	2011
Investment Income (Loss):		
Net appreciation (depreciation) in fair value of investments	$ 2 671 200	$ (827 104)
Interest	104 882	151 688
Dividends	727 224	590 739
	3 503 306	(84 677)
Less investment expenses	67 507	63 292
	3 435 799	(147 969)
Contributions (employer)	1 915 000	1 815 000
Other income	-	-
TOTAL ADDITIONS	5 350 799	1 667 031
Payments paid directly to participants/beneficiaries	1 635 685	1 551 934
Administrative expense	171 574	174 819
TOTAL DEDUCTIONS	1 807 259	1 726 753
NET INCREASE (DECREASE)	3 543 540	(59 722)
Net Assets Available for Plan Benefits:		
Beginning of year	28 821 979	28 881 701
END OF YEAR	$ 32 365 519	$ 28 821 979

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

STATEMENT OF ACCUMULATED PLAN BENEFITS
RETIREMENT PLAN FOR EMPLOYEES
OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

	DECEMBER 31, 2011
Actuarial Present Value of Accumulated Plan Benefits:	
Vested Benefits:	
Participants currently receiving payments	$ 14 254 843
Participants with deferred benefits	7 561 939
Participating employees	8 928 878
	30 745 660
Nonvested and death and disability benefits	-
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	$ 30 745 660

The accompanying notes are an integral part of this financial statement.

STATEMENT OF CHANGES IN ACCUMULATED BENEFITS
RETIREMENT PLAN FOR EMPLOYEES
OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

	FOR THE YEAR ENDED DECEMBER 31, 2011
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT JANUARY 1, 2011	$ 29 908 325
Increase (Decrease) During the Year Ended Attributable To:	
(Decrease) due to payments to participants/beneficiaries	(1 551 934)
Increase due to change in the discount period	2 184 927
Increase due to actuarial losses	204 342
NET INCREASE	837 335
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT DECEMBER 31, 2011	$ 30 745 660

The accompanying notes are an integral part of this financial statement.

NOTE A - DESCRIPTION OF THE PLAN

The following description of The Retirement Plan for Employees of Memorial Health System of East Texas ("Plan") provides only general information. For a more complete description of the Plan's provisions, refer to the Summary Plan Description or the Plan Agreement.

1. Employees Included in the Plan: Includes all employees who were participants in the superseded plan as of April 30, 1976 and generally all other employees who have completed 1,000 hours of service in one year subsequent to that date prior to the cessation of benefit accruals ("freezing of plan") at December 31, 2003.

2. Vesting Service: Vesting Service is equal to the total period of elapsed time, computed in years and days, from first date of employment until normal retirement date or termination of employment, if earlier, less that portion of any absence that is in excess of 12 months. A participant's initial Vesting Date at 100% is the earlier of (a) the date the participant has completed five years of Vesting Service or (b) the date the participant attains age 65. Normal Retirement date is the first day of the month coincident with or next following age 65. See Note J for the effect of the amendment to cease benefit accruals for the Plan effective December 31, 2003.

3. Pension Benefits: On termination of service, a participant under the normal form of benefits will receive monthly income for life, qualified joint and contingent benefit for married employees, or lump sum distribution if benefit is less than $5,000. Employees are eligible for early retirement if the participant has attained age 55 and completed 15 years of credited service.

4. Death and Disability Benefits: Upon the death of a participant, his beneficiary will receive a monthly retirement income, payable for life thereafter beginning on the first day of the month coincident with or next following the date of death. Upon total and permanent disability of a participant he will be entitled to a monthly income, payable for life.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting: The Plan has prepared its financial statements on the accrual basis in all material respects.

2. Valuation of Investments: Investments are recorded at fair value. Investments with quoted market values are valued at the last reported sales price on the last business day of the plan year. Mutual funds are recorded at their net asset value on the last day of the plan year. The change in the difference between current value and cost of investments is reflected in the statement of changes in net assets available for plan benefits as net appreciation/(depreciation) in the fair value of investments. Purchases and sales of securities are recorded on a trade-date basis. Investment values and related income are certified to by the trustee as noted in Note H.

3. Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits. Actual results could differ from those estimates.

4. Benefit Payments: Benefits paid to participants are recorded upon distribution.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Actuarial Present Value of Accumulated Plan Benefits: Accumulated plan benefits are those future periodic payments, including lump sum distributions, that are attributable under the Plan's provisions to services rendered by the employees prior to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries (b) beneficiaries of employees who have died and (c) present employees or their beneficiaries. The accumulated plan benefits are based on the employees average monthly rate of basic compensation for the five successive calendar years out of the fifteen calendar years next preceding normal retirement that gave the highest monthly average rate. Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included to the extent they are deemed attributable to employee service rendered prior to the valuation date. (See Note J relating to the frozen status of the plan).

   The actuarial present value of accumulated plan benefits is determined by an actuary from Towers Watson and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuation as of December 31, 2011 and 2010 were (a) life expectancy of participants (the RP-2000 Mortality Tables were used), (b) retirement age assumptions are decrements from age 55 to 70 and (c) investment return. The assumed average returns as of December 31, 2011 and 2010 are 7.50%. The foregoing actuarial assumptions are based on the presumption that the frozen status of the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

6. The actuarial information used in the statement of accumulated plan benefits and the statement of changes in accumulated benefits is beginning of the year information.

7. The Plan was amended in 2003 to freeze Plan participation and benefit accruals. See Note J for additional details on the benefit accrual.

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

9. Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

10. Fair Value Measurement: Financial Accounting Standards Board ("FASB") Accounting Standards Codification No. 820 ("ASC No. 820") defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosure about fair value measurements. (See Note F)

11. Subsequent Events: The Plan management has evaluated subsequent events through October 10, 2013, the date the financial statements were available to be issued.

NOTE C - FUNDING POLICY

Memorial Health System of East Texas funding policy is to make annual contributions in amounts at least equal to the amounts, if any, required to meet the minimum funding requirements of Section 412 of the Internal Revenue Code, as now or hereafter amended, as specified in the actuary's valuation reports for the applicable periods of time. For Plan years beginning January 1, 2012 and January 1, 2011 a contribution of $1,565,490 and $1,537,774 respectfully, was required to keep the Plan funded in accordance with the minimum funding standards of the Employee Retirement Income Security Act ("ERISA"). The Plan received contributions of $1,915,000 and $1,815,000 during the 2012 and 2011 plan years, respectively.

NOTE D - PLAN TERMINATION

Upon plan termination, the Retirement Committee shall determine the asset value available for distribution. Allocation shall then be made in accordance with Section 4044 of the Employee Retirement Income Security Act of 1974, as amended. The distribution shall be (subject to the provisions of Section 417(e)(1) of the Internal Revenue Code) by purchase of insured annuities from a company selected by the Committee. Any remaining residual assets will be distributed to the employer. Order of priorities for distribution shall be subject to distribution rules and limitations provided in the Plan as well as any changes ordered by the Pension Benefit Guarantee Corporation ("PBGC") or Internal Revenue Service.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination, subject to a statutory ceiling on the amount of an individual's monthly benefit. For Plan terminations occurring during 2012 for participants retiring at an age no greater than 70, that ceiling is $7,951 per month based on selection of life annuity.

Whether all participants receive their benefits, should the Plan be terminated at some future time, will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits, the priority of those benefits to be paid and the level and type of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty while other benefits may not be provided for at all.

NOTE E - INVESTMENTS

The Plan's investments are held by a bank-administered trust fund. Investments or groups of similar investments that represent 5% or more of the Plan's net assets are separately identified.

	DECEMBER 31,	
	2012	2011
Investments at Fair Value as Determined by Quoted Market Price:		
Certificates of deposit	$ 2 010 779	$ 1 971 289
Corporate stocks	4 424 636	3 978 466
Federal National Mortgage Association Bonds	1 826 200	-
Fidelity Mt Vernon Growth Fund	1 820 935	-
Fidelity Puritan Low Price Stock Fund	1 743 168	1 574 002
Vanguard 500 Index Fund	7 068 986	6 221 165
Vanguard Extended Market Index Fund	2 026 335	1 735 715
Vanguard Small Cap Growth Index Fund	2 056 405	1 762 861
Other investments	9 391 931	11 565 004
TOTAL INVESTMENTS	$ 32 369 375	$ 28 808 502

NOTE E - INVESTMENTS - CONTINUED

During 2012 and 2011, the Plan's investments (including investments bought, sold, and held during the year) appreciated/(depreciated) in value by $2,671,200 and $(827,104) as follows:

	YEARS ENDED DECEMBER 31,	
	2012	2011
Certificates of deposit	$ 39 490	$ (6 486)
U. S. Government bonds and agency securities	(352 271)	66 570
Corporate stocks	446 170	(166 898)
Mutual funds	2 537 811	(720 290)
	$ 2 671 200	$ (827 104)

At December 31, 2012 and 2011, respectively, this appreciation/(depreciation) in value is reflective of net realized gains/(losses) on investments sold of $(305,927) and $163,620 and unrealized appreciation/ (depreciation) in value of $2,977,127 and $(990,724).

NOTE F - FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes 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 measurements involving significant unobservable inputs, Level 3 measurements. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value; Level 3 inputs were only used when Level 1 or Level 2 inputs were not available. The three levels of the fair value hierarchy are as follows:

- ***Level 1*** inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access at the measurement date. Investments whose values are based on quoted market prices in active markets, and whose values are therefore classified as Level 1 prices, include active listed equities and debt securities. Investments in underlying mutual funds are valued at their Net Asset Value (NAV) daily and are classified as Level 1 prices.
- ***Level 2*** inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- ***Level 3*** inputs are unobservable inputs (including First Bank & Trust's own assumption in determining the fair value of investments) for the asset or liability. Investments whose values are classified as Level 3 prices have significant unobservable inputs, as they may trade infrequently or not at all. When observable prices are not available for these securities, the Funds use one or more valuation techniques for which sufficient and reliable data is available.

NOTE F - FAIR VALUE MEASUREMENTS - CONTINUED

		FAIR VALUE MEASUREMENTS AT REPORTING DATE USING		
	FAIR VALUE	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS/ LIABILITIES (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
December 31, 2012:				
U.S. Government Bonds and Agency Securities:				
Federal Home Loan Bank Bonds	$ 321 857	$ 321 857	$ -	$ -
Federal National Mortgage Association Bonds	1 826 200	1 826 200	-	-
Federal Home Loan Mortgage Corporation Bonds	203 210	203 210	-	-
Federal Farm Credit	202 644	202 644	-	-
TOTAL U.S. GOVERNMENT BONDS AND AGENCY SECURITIES	2 553 911	2 553 911	-	-
Corporate Stocks	4 424 636	4 424 636	-	-
Mutual Funds:				
Bond Funds	4 377 838	4 377 838	-	-
Equity Funds	18 507 638	18 507 638	-	-
TOTAL MUTUAL FUNDS	22 885 476	22 885 476	-	-
Short-Term Money Market Funds	494 477	494 477	-	-
Certificates of Deposit	2 010 779	2 010 779	-	-
	$ 32 369 279	$ 32 369 279	$ -	$ -
December 31, 2011:				
U.S. Government Bonds and Agency Securities:				
Federal Home Loan Bank Bonds	$ 616 592	$ 616 592	$ -	$ -
Federal National Mortgage Association Bonds	859 586	859 586	-	-
Federal Home Loan Mortgage Corporation Bonds	1 418 588	1 418 588	-	-
Federal Farm Credit	812 871	812 871	-	-
TOTAL U.S. GOVERNMENT BONDS AND AGENCY SECURITIES	3 707 637	3 707 637	-	-
Corporate Stocks	3 978 466	3 978 466	-	-
Mutual Funds:				
Bond Funds	2 451 023	2 451 023	-	-
Equity Funds	16 077 625	16 077 625	-	-
TOTAL MUTUAL FUNDS	18 528 648	18 528 648	-	-
Short-Term Money Market Funds	616 629	616 629	-	-
Certificates of Deposit	1 971 289	1 971 289	-	-
	$ 28 802 669	$ 28 802 669	$ -	$ -

NOTE G - TAX STATUS

The Internal Revenue Service has ruled that the Plan qualifies under Section 401(a) of the Internal Revenue Code and is, therefore, not subject to tax under present income tax laws. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan obtained its latest determination letter on June 30, 2009. The Plan has been amended since receiving the determination letter. However the Retirement Committee believes that the plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

NOTE H - INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The following information included in the accompanying financial statements, notes and supplemental schedules was obtained from data that has been prepared and certified to as complete and accurate by the trustee.

	DECEMBER 31,	
	2012	2011
Investments at Fair Value:		
Short-term money market funds and cash	$ 494 573	$ 622 462
Certificates of deposit	$ 2 010 779	$ 1 971 289
U. S. Government bonds and agency securities	$ 2 553 911	$ 3 707 637
Corporate stocks	$ 4 424 636	$ 3 978 466
Mutual funds	$ 22 885 476	$ 18 528 648

	YEARS ENDED DECEMBER 31,	
	2012	2011
Interest income	$ 120 854	$ 183 288
Dividend income	$ 727 224	$ 590 739

All information in supplemental Schedule H, line 4i.

Information necessary to complete supplementary Schedule H, line 4j.

Information necessary to complete net appreciation in fair value of investments (Note E) $2,671,200 and $(827,104).

The following is a reconciliation of data certified by the trustee with that presented in the accompanying financial statements regarding interest income:

	2012	2011
Interest income per trustee statements	$ 120 854	$ 183 288
Adjustment for interest accruals	(15 972)	(31 600)
FINANCIAL STATEMENT BALANCE	$ 104 882	$ 151 688

NOTE I - PLAN ADMINISTRATION

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

NOTE J - CESSATION OF BENEFIT ACCRUAL

Future benefit accruals, service credits, and compensation increases under the Retirement Plan for Employees of Memorial Health System of East Texas (the "Plan") ceased effective December 31, 2003, by amendment to the Plan, and no Participant will earn any further accruals after such date.

Prior to this Plan amendment, a Participant was entitled to a normal retirement benefit at age 65 in an amount equal to the sum of 1.3% of his Final Average Monthly Compensation multiplied by his years of Credited Service not in excess of 40 years, plus .65% of his Final Average Monthly Compensation in excess of the Monthly Covered Compensation that applies to him multiplied by his years of Credited Service that are not in excess of 35 years.

By modifying the provisions of the Plan, (a) all future benefit accruals for employees of Memorial Health System of East Texas will cease as of December 31, 2003, and credited service, compensation, and final average monthly compensation will not increase after December 31, 2003, and (b) participation in the Plan will be limited to those persons who are Participants in the Plan as of December 31, 2003. No other employee of Memorial Health System of East Texas will be allowed to become a Participant in the Plan after December 31, 2003.

SUPPLEMENTAL SCHEDULES

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR)
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2012

EIN #75-0755367
PN #001

(a)	(b) IDENTITY OF ISSUE BORROWER, LESSOR OR SIMILAR PARTY	(c) DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE RATE OF INTEREST, COLLATERAL PAR OR MATURITY VALUE	(d) COST	(e) CURRENT VALUE
	Short-Term Money Market Funds	Various, see attached	$ 494 573	$ 494 573
	Certificates of Deposit	Various, see attached	1 977 775	2 010 779
	U. S. Government Bonds and Agency Securities	Various, see attached	2 529 857	2 553 911
	Corporate Stocks	Various, see attached	2 996 055	4 424 636
	Mutual Funds	Various, see attached	20 156 285	22 885 476
	TOTAL		$ 28 154 545	$ 32 369 375

See independent auditors' report.

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
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CASH EQUIVALENTS

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
CASH		96.00		96.00	.00			
FEDERATED GOVERNMENT OBLIGATIONS # 5 PRIN	494,477.380	494,477.38	1.000	494,477.38	1.53	.00	49.45	.01
TOTAL CASH EQUIVALENTS		**494,573.38**		**494,573.38**		**.00**	**49.45**	**.01**

BANK CD'S

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
ALLY BANK CD 1.35% DUE 9/30/2014	25,000	25,000.00	100.981	25,245.25	.08	245.25	337.50	1.34
ALLY BK MIDVALE UT 1.40% DUE 11/03/2014	250,000	250,000.00	100.965	252,412.50	.78	2,412.50	3,500.00	1.39
BARCLAYS BANK 2.005 DUE 12/21/2016	200,000	200,000.00	102.520	205,040.00	.63	5,040.00	4,000.00	1.95
BMW BANK UTAH CD 2.10% DUE 12/01/2016	200,000	200,000.00	102.714	205,428.00	.63	5,428.00	4,200.00	2.04
CIT BANK CD 2.15% DUE 9/28/2016	200,000	200,000.00	102.903	205,806.00	.64	5,806.00	4,300.00	2.09
CITI BANK CD 1.80% DUE 05/23/16	53,000	53,000.00	102.221	54,177.13	.17	1,177.13	954.00	1.76
DISCOVER BANK CD 1.45% DUE 9/29/2014	145,000	145,000.00	100.980	146,421.00	.45	1,421.00	2,102.50	1.44
DISCOVER BANK CD 1.50% DUE 8/31/2015	105,000	105,000.00	102.144	107,251.20	.33	2,251.20	1,575.00	1.47
GOLDMAN SACHS BK NEW YORK 1.75% DUE 2/01/2017	50,000	50,000.00	102.680	51,340.00	.16	1,340.00	875.00	1.70

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
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BANK CD'S

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
GOLDMAN SACHS CD 2.00% DUE 9/28/2016	200,000	200,000.00	102.802	205,604.00	.64	5,604.00	4,000.00	1.95
SAFRA NATL BK NEW YORK NY CD 1.00% DUE 11/17/2014	150,000	149,775.00	100.980	151,470.00	.47	1,695.00	1,500.00	.99
SCOTIABANK CD .70% DUE 8/31/2015	200,000	200,000.00	100.071	200,142.00	.62	142.00	1,400.00	.70
VALLEY NATIONAL BANK CD .600% DUE 7/28/2014	200,000	200,000.00	100.221	200,442.00	.62	442.00	1,200.00	.60
TOTAL BANK CD'S		**1,977,775.00**		**2,010,779.08**		**33,004.08**	**29,944.00**	**1.49**

BONDS & NOTES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
U.S. GOVT AGENCIES								
MATURITY (0-5 YRS)								
FANNIE MAE 4.00% DUE 1/28/2013	200,000	199,836.00	100.270	200,540.00	.62	704.00	8,000.00	3.99
FED FARM CREDIT 3.70% DUE 5/15/2013	200,000	195,583.42	101.322	202,644.00	.63	7,060.58	7,400.00	3.65
FREDDIE MAC 4.25% DUE 5/22/2013	200,000	196,607.90	101.605	203,210.00	.63	6,602.10	8,500.00	4.18
FEDERAL HOME LOAN BANK 3.75% DUE 6/14/2013	200,000	199,972.66	101.599	203,198.00	.63	3,225.34	7,500.00	3.69
FANNIE MAE 1.10% DUE 11/25/2015	500,000	500,000.00	100.664	503,320.00	1.55	3,320.00	5,500.00	1.09

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
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BONDS & NOTES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
FANNIE MAE 1.05% DUE 3/28/2016	350,000	350,000.00	100.224	350,784.00	1.08	784.00	3,675.00	1.05
FEDERAL NATL MTG ASSOC 1.00% DUE 11/26/16	500,000	499,375.00	100.261	501,305.00	1.55	1,930.00	5,000.00	1.00
TOTAL MATURITY (0-5 YRS)		**2,141,374.98**		**2,165,001.00**		**23,626.02**	**45,575.00**	**2.11**
MATURITY (5-10 YRS)								
FEDERAL HOME LOAN BANK 1.75% DUE 2/21/2019	118,644.070	118,482.42	100.012	118,658.31	.37	175.89	2,076.27	1.75
FNMA STEP RATE BOND 1.00% DUE 11/21/2019	270,000	270,000.00	100.093	270,251.10	.83	251.10	2,700.00	1.00
TOTAL MATURITY (5-10 YRS)		**388,482.42**		**388,909.41**		**426.99**	**4,776.27**	**1.23**
TOTAL U.S. GOVT AGENCIES		**2,529,857.40**		**2,553,910.41**		**24,053.01**	**50,351.27**	**1.97**
TOTAL BONDS & NOTES		**2,529,857.40**		**2,553,910.41**		**24,053.01**	**50,351.27**	**1.97**

MUTUAL FUND BONDS

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
DODGE & COX INCOME FD COM (DODIX_E)	53,331.802	723,000.00	13.860	739,178.78	2.28	16,178.78	25,812.59	3.49
DWS STRATEGIC GOVERNMENT SEC FUND - A (KUSAX)	382.274	3,864.79	8.790	3,360.19	.01	-504.60	160.94	4.79
FEDERATED GNMA TR INSTL SHRS (FGMAX_E)	100,797.784	1,150,850.93	11.440	1,153,126.65	3.56	2,275.72	33,666.46	2.92

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
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MUTUAL FUND BONDS

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
HANCOCK JOHN BD TR INV GRADE BD A (TAUSX)	14,434.302	177,634.48	10.850	156,612.18	.48	-21,022.30	5,542.77	3.54
USAA SHORT TERM BOND FUND (USSBX)	50,555.772	465,000.00	9.280	469,157.56	1.45	4,157.56	11,880.61	2.53
VANGUARD BD INDEX FD INC COM FD #84 (VBMFX_E)	55,672.431	611,000.00	11.090	617,407.26	1.91	6,407.26	16,145.00	2.61
VANGUARD FIXED INCOME INTM TERM CORP FD 71 (VFICX_E)	64,006.140	656,000.00	10.320	660,543.36	2.04	4,543.36	23,682.27	3.59
VANGUARD FIXED INCOME S/T CORP (VFSTX)	20,589.166	222,500.00	10.830	222,980.67	.69	480.67	5,023.76	2.25
VANGUARD SHORT TERM FEDERAL FUND #49 (VSGBX_E)	32,913.972	360,000.00	10.800	355,470.90	1.10	-4,529.10	2,073.58	.58
TOTAL MUTUAL FUND BONDS		**4,369,850.20**		**4,377,837.55**		**7,987.35**	**123,987.98**	**2.83**

STOCK

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
ADOBE SYS INC COM (ADBE)	6,000	85,445.06	37.680	226,080.00	.70	140,634.94	.00	.00
AUTOMATIC DATA PROCESSING IN COM (ADP)	5,500	236,282.54	56.930	313,115.00	.97	76,832.46	9,570.00	3.06
BAXTER INTL INC COM (BAX)	6,000	262,413.80	66.660	399,960.00	1.24	137,546.20	10,800.00	2.70
E M C CORP MASS COM (EMC)	5,000	61,591.55	25.300	126,500.00	.39	64,908.45	.00	.00
EMBRAER S A SP ADR REP 4 COM (ERJ)	5,000	216,605.58	28.510	142,550.00	.44	-74,055.58	.00	.00

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
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STOCK

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
FREEPORT-MCMORAN COPPER & GO COM (FCX)	7,400	158,173.13	34.200	253,080.00	.78	94,906.87	9,250.00	3.65
FRONTIER COMMUNICATIONS CORP COM (FTR)	960	8,085.45	4.280	4,108.80	.01	-3,976.65	384.00	9.35
INTEL CORP COM (INTC)	4,000	69,792.87	20.620	82,480.00	.25	12,687.13	3,600.00	4.36
INTERNATIONAL BUSINESS MACHS COM (IBM)	1,000	94,053.85	191.550	191,550.00	.59	97,496.15	3,400.00	1.77
JOHNSON & JOHNSON COM (JNJ)	3,000	46,484.56	70.100	210,300.00	.65	163,815.44	7,320.00	3.48
ORACLE CORP COM (ORCL)	10,000	154,869.67	33.320	333,200.00	1.03	178,330.33	2,400.00	.72
PFIZER INC COM (PFE)	3,940	65,580.40	25.079	98,812.44	.31	33,232.04	3,782.40	3.83
PRAXAIR INC COM (PX)	5,000	153,289.40	109.450	547,250.00	1.69	393,960.60	11,000.00	2.01
PROCTER & GAMBLE CO COM (PG)	4,000	230,220.47	67.890	271,560.00	.84	41,339.53	8,992.00	3.31
TEVA PHARMACEUTICAL INDS LTD ADR (TEVA)	6,000	188,028.00	37.340	224,040.00	.69	36,012.00	4,824.00	2.15
US BANCORP DEL COM NEW (USB)	10,000	321,420.73	31.940	319,400.00	.99	-2,020.73	7,800.00	2.44
VERIZON COMMUNICATIONS INC COM (VZ)	4,000	130,799.64	43.270	173,080.00	.53	42,280.36	8,240.00	4.76
WEINGARTEN RLTY INVS SH BEN INT (WRI)	9,000	199,463.71	26.770	240,930.00	.74	41,466.29	10,440.00	4.33

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2012

EIN #75-0755367
PN #001

STOCK

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
ZIMMER HLDGS INC COM (ZMH)	4,000	313,454.47	66.660	266,640.00	.82	-46,814.47	2,880.00	1.08
TOTAL STOCK		**2,996,054.88**		**4,424,636.24**		**1,428,581.36**	**104,682.40**	**2.37**

MUTUAL FUND EQUITIES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
COLUMBIA EMERGING MARKETS FUND Z (UMEMX_E)	15,229.739	96,500.00	10.390	158,236.99	.49	61,736.99	822.41	.52
COLUMBIA PACIFIC / ASIA FUND Z (USPAX_E)	10,201.645	72,500.00	8.480	86,509.95	.27	14,009.95	1,948.51	2.25
DODGE & COX FUNDS INTERNATIONAL STOCK (DODFX_E)	1,561.979	48,500.00	34.640	54,106.95	.17	5,606.95	1,166.80	2.16
FED STRATEG VALUE (SVAIX)	38,986.355	200,000.00	4.990	194,541.91	.60	-5,458.09	7,758.28	3.99
FIDELITY CONTRAFUND INC COM (FCNTX_E)	13,200.946	836,830.04	77.570	1,023,997.38	3.16	187,167.34	2,785.40	.27
FIDELITY MT VERNON STR TR GROWTH CO FD (FDGRX_E)	19,500.272	1,558,052.98	93.380	1,820,935.40	5.63	262,882.42	3,724.55	.20
FIDELITY PURITAN TR LOW PRICE STK (FLPSX_E)	44,130.841	1,606,018.33	39.500	1,743,168.22	5.39	137,149.89	21,491.72	1.23
MERIDIAN FD INC GROWTH FD (MERDX_E)	9,154.442	283,639.77	39.780	364,163.70	1.13	80,523.93	1,409.78	.39
ROWE T PRICE MID-CAP GROWTH COM (RPMGX_E)	4,999.208	186,639.77	56.470	282,305.28	.87	95,665.51	.00	.00
VANGUARD EXTENDED MARKET INDEX FD SIGNAL SHRS (VEMSX_E)	51,416.761	1,572,258.71	39.410	2,026,334.55	6.26	454,075.84	33,163.81	1.64

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2012

EIN #75-0755367
PN #001

MUTUAL FUND EQUITIES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
VANGUARD INTL EQUITY INDEX EMERGING MKT (VEIEX)	31,326.783	871,830.04	28.010	877,463.19	2.71	5,633.15	35,775.19	4.08
VANGUARD SMALL CAP GROWTH INDEX FUND #861 (VISGX_E)	82,157.617	1,449,657.51	25.030	2,056,405.15	6.35	606,747.64	18,403.31	.89
VANGUARD WORLD FD INTL GRTH PTFL (VWIGX_E)	38,945.697	649,246.52	19.270	750,483.58	2.32	101,237.06	13,514.16	1.80
VANGUARD 500 INDEX FUND SIGNAL SHARES #1340 (VIFSX_E)	65,139.936	6,354,761.00	108.520	7,068,985.85	21.83	714,224.85	153,665.11	2.17
TOTAL MUTUAL FUND EQUITIES		**15,786,434.67**		**18,507,638.10**		**2,721,203.43**	**295,629.03**	**1.60**
TOTAL ASSETS		**28,154,545.53**		**32,369,374.76**		**4,214,829.23**	**604,644.13**	**1.87**

SCHEDULE H, LINE 4j
SCHEDULE OF REPORTABLE TRANSACTIONS
RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
For the Year Ended December 31, 2012

EIN #75-0755367
PN #001

(a) IDENTITY OF PARTY INVOLVED	(b) DESCRIPTION OF ASSET (INCLUDE INTEREST RATE AND MATURITY IN CASE OF A LOAN)	(c) PURCHASE PRICE	(d) SELLING PRICE	(e) LEASE RENTAL	(f) EXPENSE INCURRED WITH TRANSACTION	(g) COST OF ASSET	(h) CURRENT VALUE OF ASSET ON TRANSACTION DATE	(i) NET GAIN OR (LOSS)
Federated Government Obligations Trust	Short-Term Money Market Fund	$ 6 701 220	N/A	N/A	N/A	$ 6 701 220	$ 6 701 220	N/A
Federated Government Obligations Trust	Short-Term Money Market Fund	N/A	$ 6 823 372	N/A	N/A	$ 6 823 372	$ 6 823 372	N/A

See independent auditors' report.

SCHEDULE H, LINE 4j
SCHEDULE OF REPORTABLE TRANSACTIONS
RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
For the Year Ended December 31, 2012

EIN #75-0755367
PN #001

(a) IDENTITY OF PARTY INVOLVED	(b) DESCRIPTION OF ASSET (INCLUDE INTEREST RATE AND MATURITY IN CASE OF A LOAN)	(c) PURCHASE PRICE	(d) SELLING PRICE	(e) LEASE RENTAL	(f) EXPENSE INCURRED WITH TRANSACTION	(g) COST OF ASSET	(h) CURRENT VALUE OF ASSET ON TRANSACTION DATE	(i) NET GAIN OR (LOSS)
Federated Government Obligations Trust	Short-Term Money Market Fund	$ 6 701 220	N/A	N/A	N/A	$ 6 701 220	$ 6 701 220	N/A
Federated Government Obligations Trust	Short-Term Money Market Fund	N/A	$ 6 823 372	N/A	N/A	$ 6 823 372	$ 6 823 372	N/A

See independent auditors' report.

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR)
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2012

EIN #75-0755367
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(a)	(b) IDENTITY OF ISSUE BORROWER, LESSOR OR SIMILAR PARTY	(c) DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE RATE OF INTEREST, COLLATERAL PAR OR MATURITY VALUE	(d) COST	(e) CURRENT VALUE
	Short-Term Money Market Funds	Various, see attached	$ 494 573	$ 494 573
	Certificates of Deposit	Various, see attached	1 977 775	2 010 779
	U. S. Government Bonds and Agency Securities	Various, see attached	2 529 857	2 553 911
	Corporate Stocks	Various, see attached	2 996 055	4 424 636
	Mutual Funds	Various, see attached	20 156 285	22 885 476
	TOTAL		$ 28 154 545	$ 32 369 375

See independent auditors' report.

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2012

EIN #75-0755367
PN #001

CASH EQUIVALENTS

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
CASH		96.00		96.00	.00			
FEDERATED GOVERNMENT OBLIGATIONS # 5 PRIN	494,477.380	494,477.38	1.000	494,477.38	1.53	.00	49.45	.01
TOTAL CASH EQUIVALENTS		**494,573.38**		**494,573.38**		**.00**	**49.45**	**.01**

BANK CD'S

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
ALLY BANK CD 1.35% DUE 9/30/2014	25,000	25,000.00	100.981	25,245.25	.08	245.25	337.50	1.34
ALLY BK MIDVALE UT 1.40% DUE 11/03/2014	250,000	250,000.00	100.965	252,412.50	.78	2,412.50	3,500.00	1.39
BARCLAYS BANK 2.005 DUE 12/21/2016	200,000	200,000.00	102.520	205,040.00	.63	5,040.00	4,000.00	1.95
BMW BANK UTAH CD 2.10% DUE 12/01/2016	200,000	200,000.00	102.714	205,428.00	.63	5,428.00	4,200.00	2.04
CIT BANK CD 2.15% DUE 9/28/2016	200,000	200,000.00	102.903	205,806.00	.64	5,806.00	4,300.00	2.09
CITI BANK CD 1.80% DUE 05/23/16	53,000	53,000.00	102.221	54,177.13	.17	1,177.13	954.00	1.76
DISCOVER BANK CD 1.45% DUE 9/29/2014	145,000	145,000.00	100.980	146,421.00	.45	1,421.00	2,102.50	1.44
DISCOVER BANK CD 1.50% DUE 8/31/2015	105,000	105,000.00	102.144	107,251.20	.33	2,251.20	1,575.00	1.47
GOLDMAN SACHS BK NEW YORK 1.75% DUE 2/01/2017	50,000	50,000.00	102.680	51,340.00	.16	1,340.00	875.00	1.70

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2012

EIN #75-0755367
PN #001

BANK CD'S

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
GOLDMAN SACHS CD 2.00% DUE 9/28/2016	200,000	200,000.00	102.802	205,604.00	.64	5,604.00	4,000.00	1.95
SAFRA NATL BK NEW YORK NY CD 1.00% DUE 11/17/2014	150,000	149,775.00	100.980	151,470.00	.47	1,695.00	1,500.00	.99
SCOTIABANK CD .70% DUE 8/31/2015	200,000	200,000.00	100.071	200,142.00	.62	142.00	1,400.00	.70
VALLEY NATIONAL BANK CD .600% DUE 7/28/2014	200,000	200,000.00	100.221	200,442.00	.62	442.00	1,200.00	.60
TOTAL BANK CD'S		**1,977,775.00**		**2,010,779.08**		**33,004.08**	**29,944.00**	**1.49**

BONDS & NOTES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
U.S. GOVT AGENCIES								
MATURITY (0-5 YRS)								
FANNIE MAE 4.00% DUE 1/28/2013	200,000	199,836.00	100.270	200,540.00	.62	704.00	8,000.00	3.99
FED FARM CREDIT 3.70% DUE 5/15/2013	200,000	195,583.42	101.322	202,644.00	.63	7,060.58	7,400.00	3.65
FREDDIE MAC 4.25% DUE 5/22/2013	200,000	196,607.90	101.605	203,210.00	.63	6,602.10	8,500.00	4.18
FEDERAL HOME LOAN BANK 3.75% DUE 6/14/2013	200,000	199,972.66	101.599	203,198.00	.63	3,225.34	7,500.00	3.69
FANNIE MAE 1.10% DUE 11/25/2015	500,000	500,000.00	100.664	503,320.00	1.55	3,320.00	5,500.00	1.09

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2012

EIN #75-0755367
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BONDS & NOTES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
FANNIE MAE 1.05% DUE 3/28/2016	350,000	350,000.00	100.224	350,784.00	1.08	784.00	3,675.00	1.05
FEDERAL NATL MTG ASSOC 1.00% DUE 11/26/16	500,000	499,375.00	100.261	501,305.00	1.55	1,930.00	5,000.00	1.00
TOTAL MATURITY (0-5 YRS)		**2,141,374.98**		**2,165,001.00**		**23,626.02**	**45,575.00**	**2.11**
MATURITY (5-10 YRS)								
FEDERAL HOME LOAN BANK 1.75% DUE 2/21/2019	118,644.070	118,482.42	100.012	118,658.31	.37	175.89	2,076.27	1.75
FNMA STEP RATE BOND 1.00% DUE 11/21/2019	270,000	270,000.00	100.093	270,251.10	.83	251.10	2,700.00	1.00
TOTAL MATURITY (5-10 YRS)		**388,482.42**		**388,909.41**		**426.99**	**4,776.27**	**1.23**
TOTAL U.S. GOVT AGENCIES		**2,529,857.40**		**2,553,910.41**		**24,053.01**	**50,351.27**	**1.97**
TOTAL BONDS & NOTES		**2,529,857.40**		**2,553,910.41**		**24,053.01**	**50,351.27**	**1.97**

MUTUAL FUND BONDS

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
DODGE & COX INCOME FD COM (DODIX_E)	53,331.802	723,000.00	13.860	739,178.78	2.28	16,178.78	25,812.59	3.49
DWS STRATEGIC GOVERNMENT SEC FUND - A (KUSAX)	382.274	3,864.79	8.790	3,360.19	.01	-504.60	160.94	4.79
FEDERATED GNMA TR INSTL SHRS (FGMAX_E)	100,797.784	1,150,850.93	11.440	1,153,126.65	3.56	2,275.72	33,666.46	2.92

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2012

EIN #75-0755367
PN #001

MUTUAL FUND BONDS

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
HANCOCK JOHN BD TR INV GRADE BD A (TAUSX)	14,434.302	177,634.48	10.850	156,612.18	.48	-21,022.30	5,542.77	3.54
USAA SHORT TERM BOND FUND (USSBX)	50,555.772	465,000.00	9.280	469,157.56	1.45	4,157.56	11,880.61	2.53
VANGUARD BD INDEX FD INC COM FD #84 (VBMFX_E)	55,672.431	611,000.00	11.090	617,407.26	1.91	6,407.26	16,145.00	2.61
VANGUARD FIXED INCOME INTM TERM CORP FD 71 (VFICX_E)	64,006.140	656,000.00	10.320	660,543.36	2.04	4,543.36	23,682.27	3.59
VANGUARD FIXED INCOME S/T CORP (VFSTX)	20,589.166	222,500.00	10.830	222,980.67	.69	480.67	5,023.76	2.25
VANGUARD SHORT TERM FEDERAL FUND #49 (VSGBX_E)	32,913.972	360,000.00	10.800	355,470.90	1.10	-4,529.10	2,073.58	.58
TOTAL MUTUAL FUND BONDS		**4,369,850.20**		**4,377,837.55**		**7,987.35**	**123,987.98**	**2.83**

STOCK

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
ADOBE SYS INC COM (ADBE)	6,000	85,445.06	37.680	226,080.00	.70	140,634.94	.00	.00
AUTOMATIC DATA PROCESSING IN COM (ADP)	5,500	236,282.54	56.930	313,115.00	.97	76,832.46	9,570.00	3.06
BAXTER INTL INC COM (BAX)	6,000	262,413.80	66.660	399,960.00	1.24	137,546.20	10,800.00	2.70
E M C CORP MASS COM (EMC)	5,000	61,591.55	25.300	126,500.00	.39	64,908.45	.00	.00
EMBRAER S A SP ADR REP 4 COM (ERJ)	5,000	216,605.58	28.510	142,550.00	.44	-74,055.58	.00	.00

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2012

EIN #75-0755367
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STOCK

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
FREEPORT-MCMORAN COPPER & GO COM (FCX)	7,400	158,173.13	34.200	253,080.00	.78	94,906.87	9,250.00	3.65
FRONTIER COMMUNICATIONS CORP COM (FTR)	960	8,085.45	4.280	4,108.80	.01	-3,976.65	384.00	9.35
INTEL CORP COM (INTC)	4,000	69,792.87	20.620	82,480.00	.25	12,687.13	3,600.00	4.36
INTERNATIONAL BUSINESS MACHS COM (IBM)	1,000	94,053.85	191.550	191,550.00	.59	97,496.15	3,400.00	1.77
JOHNSON & JOHNSON COM (JNJ)	3,000	46,484.56	70.100	210,300.00	.65	163,815.44	7,320.00	3.48
ORACLE CORP COM (ORCL)	10,000	154,869.67	33.320	333,200.00	1.03	178,330.33	2,400.00	.72
PFIZER INC COM (PFE)	3,940	65,580.40	25.079	98,812.44	.31	33,232.04	3,782.40	3.83
PRAXAIR INC COM (PX)	5,000	153,289.40	109.450	547,250.00	1.69	393,960.60	11,000.00	2.01
PROCTER & GAMBLE CO COM (PG)	4,000	230,220.47	67.890	271,560.00	.84	41,339.53	8,992.00	3.31
TEVA PHARMACEUTICAL INDS LTD ADR (TEVA)	6,000	188,028.00	37.340	224,040.00	.69	36,012.00	4,824.00	2.15
US BANCORP DEL COM NEW (USB)	10,000	321,420.73	31.940	319,400.00	.99	-2,020.73	7,800.00	2.44
VERIZON COMMUNICATIONS INC COM (VZ)	4,000	130,799.64	43.270	173,080.00	.53	42,280.36	8,240.00	4.76
WEINGARTEN RLTY INVS SH BEN INT (WRI)	9,000	199,463.71	26.770	240,930.00	.74	41,466.29	10,440.00	4.33

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2012

EIN #75-0755367
PN #001

STOCK

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
ZIMMER HLDGS INC COM (ZMH)	4,000	313,454.47	66.660	266,640.00	.82	-46,814.47	2,880.00	1.08
TOTAL STOCK		**2,996,054.88**		**4,424,636.24**		**1,428,581.36**	**104,682.40**	**2.37**

MUTUAL FUND EQUITIES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
COLUMBIA EMERGING MARKETS FUND Z (UMEMX_E)	15,229.739	96,500.00	10.390	158,236.99	.49	61,736.99	822.41	.52
COLUMBIA PACIFIC / ASIA FUND Z (USPAX_E)	10,201.645	72,500.00	8.480	86,509.95	.27	14,009.95	1,948.51	2.25
DODGE & COX FUNDS INTERNATIONAL STOCK (DODFX_E)	1,561.979	48,500.00	34.640	54,106.95	.17	5,606.95	1,166.80	2.16
FED STRATEG VALUE (SVAIX)	38,986.355	200,000.00	4.990	194,541.91	.60	-5,458.09	7,758.28	3.99
FIDELITY CONTRAFUND INC COM (FCNTX_E)	13,200.946	836,830.04	77.570	1,023,997.38	3.16	187,167.34	2,785.40	.27
FIDELITY MT VERNON STR TR GROWTH CO FD (FDGRX_E)	19,500.272	1,558,052.98	93.380	1,820,935.40	5.63	262,882.42	3,724.55	.20
FIDELITY PURITAN TR LOW PRICE STK (FLPSX_E)	44,130.841	1,606,018.33	39.500	1,743,168.22	5.39	137,149.89	21,491.72	1.23
MERIDIAN FD INC GROWTH FD (MERDX_E)	9,154.442	283,639.77	39.780	364,163.70	1.13	80,523.93	1,409.78	.39
ROWE T PRICE MID-CAP GROWTH COM (RPMGX_E)	4,999.208	186,639.77	56.470	282,305.28	.87	95,665.51	.00	.00
VANGUARD EXTENDED MARKET INDEX FD SIGNAL SHRS (VEMSX_E)	51,416.761	1,572,258.71	39.410	2,026,334.55	6.26	454,075.84	33,163.81	1.64

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2012

EIN #75-0755367
PN #001

MUTUAL FUND EQUITIES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
VANGUARD INTL EQUITY INDEX EMERGING MKT (VEIEX)	31,326.783	871,830.04	28.010	877,463.19	2.71	5,633.15	35,775.19	4.08
VANGUARD SMALL CAP GROWTH INDEX FUND #861 (VISGX_E)	82,157.617	1,449,657.51	25.030	2,056,405.15	6.35	606,747.64	18,403.31	.89
VANGUARD WORLD FD INTL GRTH PTFL (VWIGX_E)	38,945.697	649,246.52	19.270	750,483.58	2.32	101,237.06	13,514.16	1.80
VANGUARD 500 INDEX FUND SIGNAL SHARES #1340 (VIFSX_E)	65,139.936	6,354,761.00	108.520	7,068,985.85	21.83	714,224.85	153,665.11	2.17
TOTAL MUTUAL FUND EQUITIES		**15,786,434.67**		**18,507,638.10**		**2,721,203.43**	**295,629.03**	**1.60**
TOTAL ASSETS		**28,154,545.53**		**32,369,374.76**		**4,214,829.23**	**604,644.13**	**1.87**

Schedule SB, Line 32 – Schedule of Amortization Bases

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas
EIN/PN: 75-0755367/001
Plan Sponsor: Memorial Health System of East Texas

	Type of Base	Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2012	(478,739)	7	(478,739)	(81,254)
2	Shortfall	01/01/2011	(414,021)	6	(355,576)	(68,119)
3	Shortfall	01/01/2010	2,243,473	5	1,687,972	374,945
4	Shortfall	01/01/2009	1,032,151	4	681,404	184,366
5	Shortfall	01/01/2008	4,989,626	3	2,374,534	834,552
Total					3,909,595	1,244,490

Discount rates

Current plan year PPA effective interest rate: 7.05%

3 Segment Rates, adjusted as required to reflect the corridors of MAP-21 (5.54% for the first 5 years, 6.85% for the next fifteen years, and 7.52% for years after)

Applicable month: 4 months prior to the valuation date (based on September rates)

Assumed Cost of Living Adjustments

None.

Inclusion Date

The valuation date coincident with or next following the date on which the employee becomes a participant.

Plan-related Expenses

The amount included this year for plan-related expenses is $321,000.

Mortality

The prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants.

Retirement

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

Age	Retirement Rates
55	2.0%
56	2.0%
57	2.0%
58	2.0%
59	2.0%
60	2.0%
61	2.0%
62	15.0%
63	5.0%
64	5.0%
65	50.0%
66	10.0%
67	10.0%
68	10.0%
69	10.0%
70	100.0%

Disability Rates

Wyatt 1985 Disability Study Class 1 unisex rates.

Disabled Mortality

The prescribed mortality assumption under Section 430(h)(3)(D) of the Internal Revenue Code.

Compensation Increases

Not applicable since plan was frozen effective December 31, 2003.

Future Increases in Social Security

Not applicable as plan was frozen on December 31, 2003.

Future Increases in Maximum Benefits and Plan Compensation Limitations

Not applicable, plan was frozen on December 31, 2003.

Representative Termination Rates Not Due to Disability, Retirement or Mortality

Attained Age	Percentage leaving during the year	
	Males	**Females**
20	22.4%	29.9%
25	14.9%	19.9%
30	10.4%	13.9%
35	7.4%	9.9%
40	4.3%	5.8%
45	2.7%	3.7%
50	0.9%	1.4%
55	0.0%	0.0%
60 and over	0.0%	0.0%

Form of Payment

Participants are assumed to elect the normal form.

Marriage

For purposes of valuing the pre-retirement surviving spouse's benefit, 100% of eligible participants are assumed to be married and male spouses are assumed to be 3 years older than female spouses.

Employees

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

Plan Compensation

Not applicable as plan was frozen effective December 31, 2003.

Asset Method

Valuation assets are equal to the market value of assets as of the valuation date plus the discounted present value of contributions expected to be made after the valuation date at the prior plan year effective PPA interest rate.

Participant Data

Employee data as well as data on persons receiving benefits was supplied on an electronic listing by Memorial Health System of East Texas as of the census date, January 1, 2012. Data on other participants was also supplied by the employer.

Tax Policy

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

Benefits Not Included in Valuation

None.

Changes in Assumptions and Methods Since last Actuarial Valuation

The segment rates used to determine minimum funding requirements were revised by applying the corridors of MAP-21.

The required mortality table used to calculate the funding target and target normal cost was updated as prescribed by regulations.

The assumed plan-related expenses added to the target normal cost were updated to $321,000 from $212,000.

Effective Date and Most Recent Amendment

The plan was originally effective May 1, 1976. The plan was amended and restated effective January 1, 2012.

Plan Year

The twelve-month period ending December 31.

Coverage and Participation

Participation is limited to participants in the plan as of December 31, 2003. All employees prior to December 31, 2003, were eligible to participate under the plan after one year of service. "Employee" means any person on the payroll whose wages are subject to withholding for the purposes of federal income tax.

Note: If an employee meets the age requirement, but fails to complete 1,000 hours during the first year, participation will begin on the January 1 following the plan year in which 1,000 hours are completed.

Benefit Accrual Preservation Date

December 31, 2003. The plan was frozen to participation and benefit accruals after December 31, 2003.

Credited Service

The number of years and completed months of service from date of hire to the Benefit Accrual Preservation Date, adjusted for certain periods of unpaid absence.

Vesting Service

Total service from date of hire to date of termination, less any absence in excess of 12 months.

Final Average Monthly Compensation

The monthly average of the five consecutive years' compensation out of the last fifteen years at the earlier of the date of termination or the Benefit Accrual Preservation Date that gives the highest average. Compensation includes W-2 compensation plus any compensation deferred under a Section 125 or Section 401(k) plan. Compensation is limited to the pay limit as described in IRC Section 401(a)(17). The limit at Benefit Accrual Preservation Date is $200,000.

Covered Compensation

A 35-year average of the Maximum Taxable Wages (MTW) under social security. The MTW is the annual limit on wages subject to the FICA tax for social security. The 35-year period ends with the year the employee reaches eligibility for an unreduced social security benefit (age 65, 66, or 67 depending on the year the employee was born). For years after the Benefit Accrual Preservation Date (2003) and prior to the end of the 35-year period, the MTW from the Benefit Accrual Preservation Date (2003) is used.

Normal Retirement Benefit

1. Normal Retirement Date: Age 65.
2. Monthly Benefit: The sum of A and B:
   A. 1.30% of Final Average Monthly Compensation times Credited Service up to 40 years

   plus

   B. 0.65% of Final Average Monthly Compensation in excess of Monthly Covered Compensation times Credited Service up to 35 years.
3. Normal Form of Retirement Income: Life only.

Late Retirement

For employees who accrue less than 40 hours of service in any calendar month and whose retirement occurs after the Normal Retirement Date, the late retirement income will be based on the greater of 1 and 2:

1. The Normal Retirement Benefit calculated using Credited Service and Final Average Monthly Compensation as of the Benefit Accrual Preservation Date, if earlier than the Late Retirement Date.
2. The income provided on an actuarially equivalent basis by the single-sum value of the retirement income payable as of Normal Retirement Date if earlier than the Benefit Accrued Preservation Date and if employment had then terminated, accumulated with interest to the later of the Benefit Accrual Preservation Date or the Annuity Starting Date.

All other employees who retire after the Normal Retirement Date will receive a Late Retirement Income equal to the Normal Retirement Benefit calculated using Credited Service and Final Average Monthly Compensation as of the Benefit Accrual Preservation Date if earlier than the Late Retirement Date.

Accrued Benefit

The Participant's Accrued Benefit at any given date is the Normal Retirement Benefit, based on the formulas above, the product of (a) the Final Average Monthly Compensation and Monthly Covered Compensation determined as of the earlier of date of termination or the Benefit Accrual Preservation Date times (b) the ratio of Credited Service at the earlier of Date of Termination or Benefit Accrual Preservation Date to Credited Service at Normal Retirement Date.

The Accrued Benefit was frozen for all participants as of December 31, 2003.

Early Retirement Benefit

1. Eligibility: Age 55 and 15 years of vesting service.
2. Monthly Benefit: The sum of A and B:
   A. 1.30% of Final Average Monthly Compensation determined at the Benefit Accrual Preservation Date times Credited Service at the Benefit Accrual Preservation Date up to 40 years multiplied by the appropriate Factor A reduction as shown below.

   plus

   B. 0.65% of Final Average Monthly Compensation determined at the Benefit Accrual Preservation Date in excess of Monthly Covered Compensation times Credited Service at the Benefit Accrual Preservation Date up to 35 years multiplied by the appropriate Factor B reduction as shown below.

Age	Factor A*	Factor B
65	100.0%	100.0%
64	98.0%	93.3%
63	96.0%	86.7%
62	94.0%	80.0%
61	92.0%	73.3%
60	90.0%	66.7%
59	84.0%	63.3%
58	78.0%	60.0%
57	72.0%	56.7%
56	66.0%	53.3%
55	60.0%	50.0%

* 100% if the participant has both attained age 60 and completed 30 years of Credited Service at the Benefit Accrual Preservation Date.

Disability Benefit

1. Eligibility: Total and permanent disability of participant prior to Normal Retirement Date and 2 years of Vesting Service.
2. Monthly Benefit: The monthly income that can be provided by the greater of A and B, but not less than C if eligible for Early Retirement Benefit as of the Date of Termination of service due to disability:

    A. The present value of the accrued benefit as of the Benefit Accrual Preservation Date.

    B. A multiple of the Final Average Monthly Compensation as of the Benefit Accrual Preservation Date. If the employee is at least age 45 and has completed 15 years of service, the multiple is 30; otherwise, the multiple is 12.

    C. The Monthly Early Retirement Benefit payable at the Disability Retirement Date.

    This income is payable for life only.

    The monthly benefit may not be greater than the retirement income the participant would receive if he remained in active employment at his rate of pay at the Benefit Accrual Preservation Date and retired.
3. Waiting Period: Benefits will not commence until the employee has been disabled for six months and has filed a request for disability benefits with the employer.

Vested Benefits Up on Termination of Service

1. Vesting: A participant is 100% vested upon completion of 5 years of vesting service. However, all participants become 100% vested upon reaching age 65.

2. Termination Benefit: The termination benefit is equal to the vested Accrued Benefit, payable in the normal form, commencing at Normal Retirement Date. Optionally, the participant may elect to receive an actuarially reduced benefit commencing prior to Normal Retirement Date. The participant may also elect to receive an actuarially reduced benefit in order to provide a death benefit for the period between termination and the date retirement payments commence. Such death benefit is equal to the actuarial present value of the deferred accrued benefit, determined as of the Benefit Accrual Preservation Date.

Death Benefits for Participants in Active Service

1. Eligibility: Two years of Vesting Service or after initial vesting date.

2. Benefit: The participant's beneficiary will receive an income payable for 10 years certain and life (other optional forms are available) that can be provided by the greater of A or B below:

    A. The present value of the accrued benefit as of the Benefit Accrual Preservation Date.

    B. The smaller of (1) or (2) below:

        (1) A multiple of the Final Average Monthly Compensation. If the employee is at least 45 and has completed 15 years of Vesting Service, the multiple is 30. Otherwise, the multiple is 12.

        (2) 100 times the Monthly Retirement Income the participant accrued as of the Benefit Accrual Preservation Date.

If death occurs after normal retirement but prior to actual retirement, the participant's beneficiary will receive a benefit equal in value to the Late Retirement Benefit described above that the participant would have received had he retired as of his date of death.

Optional Forms of Retirement Income in Lieu of Normal Form

The plan provides optional payment forms, including the qualified Joint and Contingent benefit for married employees, on an actuarially equivalent basis. Actuarial equivalence for this purpose is based on a 7.0% interest rate and the UP-1984 Mortality Table (set back 3 years for joint annuitants and beneficiaries). Lump-sum distributions are allowed, but only if the lump sum is less than $5,000.

Special Provisions for Top-Heavy Plans

The plan is top heavy in any plan year that the value of accrued benefits for "Key Employees" (as defined in the Internal Revenue Code) is 60% or more of the total value of accrued benefits under the plan.

Vesting: For years that the plan is top heavy the minimum vesting percentage is equal to 20% after two years of vesting service, increasing by 20% per year until it is 100% after six years of vesting service.

Minimum Accrued Benefit: There is a minimum accrued benefit equal to 2% of five-year-average pay times the number of years of service after January 1, 1984, that the plan is top heavy, up to a maximum of ten years.

The plan is not currently top heavy.

Minimum Benefit

1. Eligibility: The employee must have been an active participant in the plan as of December 31, 1992.

2. Minimum Accrued Benefit: The participant's Monthly Accrued Benefit shall not be less than that which was accrued as of December 31, 1992, under the terms of the plan in effect on that date.

Special Provisions for Former Polk County Memorial Hospital Participants

1. Eligibility: The employee must have been hired before July 1, 1994.
2. Participation: The later of A and B:
    A. July 1, 1994
    B. Completion of at least 1,000 Hours of Service
3. Vesting Service: Vesting Service shall include Credited Service as defined in the Texas County and District Retirement System (TCDRS) as of July 1, 1994.
4. Credited Service: Credited Service shall include Credited Service as defined in the Texas County and District Retirement System (TCDRS) as of July 1, 1994.

Special Provisions for Former Memorial Health System of East Texas (MHSET)

1. Eligibility: The employee must have terminated on or about December 1, 1996 and performed housekeeping or food service functions for MHSET, and were subsequently employed by Marriott Management Services, Healthcare Services Division.

2. These employees are 100% Vested as of December 1, 1996.

Special Provisions for Former Memorial Center – San Augustine

1. Eligibility: The employee must have been employed with Memorial Medical Center – San Augustine as of July 1, 1996.
2. Participation: If the employee has not previously terminated service with Memorial Medical Center – San Augustine, participation begins with the employee's original hire date at that facility. If the employee has terminated service with San Augustine, participation begins with the employees hire date at MHSET.
3. Vesting Service: Vesting Service at Memorial Health System of East Texas (MHSET) shall begin with the later of A and B:
    A. July 1, 1996
    B. The employee's hire date at San Augustine if the employee has not previously terminated from San Augustine or the employee's hire date at MHSET if the employee has previously terminated from San Augustine.
4. Credited Service: Credited Service at MHSET shall begin with the later of A and B:
    A. July 1, 1996
    B. The employee's hire date at San Augustine if the employee has not previously terminated from San Augustine or the employee's hire date at MHSET if the employee has previously terminated from San Augustine.

Special Provisions for Former Memorial Health System of East Texas (MHSET)

1. Eligibility: The employee must have terminated on or about December 31, 1997 and were employed in the Medical Records Department of the Medical Transcription Department, and were subsequently employed by Transcend Services, Inc.

2. These employees are 100% Vested as of December 31, 1997.

Changes in Plan Provisions Since Last Actuarial Valuation

None.

Schedule SB, Line 26 – Schedule of Active Participant Data

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas
EIN/PN: 75-0755367/001
Plan Sponsor: Memorial Health System of East Texas

Participant Count

	Years of Credited Service																			
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
Attained Age	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		0		0		0		0		0		0		0		0		0	
25 - 29	0		6		0		0		0		0		0		0		0		0	
30 - 34	0		14		1		0		0		0		0		0		0		0	
35 - 39	0		27		17		0		0		0		0		0		0		0	
40 - 44	0		23		20		9		2		0		0		0		0		0	
45 - 49	0		14		11		11		4		2		0		0		0		0	
50 - 54	0		21		25		10		8		13		3		0		0		0	
55 - 59	0		17		20		13		8		14		5		1		0		0	
60 - 64	0		9		7		5		5		2		2		2		0		0	
65 - 69	0		7		5		1		1		3		1		1		0		0	
70 & Over	0		1		1		1		0		1		0		0		0		0	

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

For calendar plan year 2012 or fiscal plan year beginning and ending

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

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

A Name of plan
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS

B Three-digit plan number (PN) .... ► 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
MEMORIAL HEALTH SYSTEM OF EAST TX

D Employer Identification Number (EIN)
75-0755367

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2012

2	Assets:			
	a Market value		2a	28808502
	b Actuarial value		2b	28808502
3	Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	3a	304	15046281
	b For terminated vested participants	3b	503	8082572
	c For active participants:			
	(1) Non-vested benefits	3c(1)		3544297
	(2) Vested benefits	3c(2)		5814717
	(3) Total active	3c(3)	374	9359014
	d Total	3d	1181	32487867
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions		4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		4b	
5	Effective interest rate		5	7.05 %
6	Target normal cost		6	321000

Statement by Enrolled Actuary

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

SIGN HERE Steven C Erickson
Signature of actuary

10/11/2013
Date

STEVEN C. ERICKSON
Type or print name of actuary

11-04118
Most recent enrollment number

TOWERS WATSON DELAWARE INC
Firm name

214 530-4200
Telephone number (including area code)

500 N Akard St, Suite 4100
Dallas, TX 75201
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)		
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9	Amount remaining (line 7 minus line 8)		
10	Interest on line 9 using prior year's actual return of 0.18 %		
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		216565
	b Interest on line (a) using prior year's effective rate of 6.31 % except as otherwise provided (see instructions)		13665
	c Total available at beginning of current plan year to add to prefunding balance		230230
	d Portion of line (c) to be added to prefunding balance		230230
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)		230230

Part III Funding Percentages

14	Funding target attainment percentage	14	87.96 %
15	Adjusted funding target attainment percentage	15	87.96 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	83.72 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01-30-2012	170,000		08-20-2012	225,000	
02-27-2012	170,000		09-25-2012	225,000	
03-19-2012	170,000				
03-20-2012	55,000				
04-20-2012	225,000				
05-21-2012	225,000				
06-26-2012	225,000				
07-24-2012	225,000				
			Totals ►	18(b) 1915000	18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contributions for current year, adjusted to valuation date	19c	1862178

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a 'funding shortfall' for the prior year? [X] Yes [ ] No

b If line 20a is 'Yes,' were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If line 20a is 'Yes,' see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:

a Segment rates:	1st segment:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
	5.54 %	6.85 %	7.52 %	

b Applicable month (enter code)	21b	4
22 Weighted average retirement age	22	65

23 Mortality table(s) (see instructions) ☐ Prescribed – combined ☒ Prescribed – seperate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If 'Yes,' see instructions regarding required attachment	☐ Yes	☒ No
25 Has a method change been made for the current plan year? If 'Yes,' see instructions regarding required attachment	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If 'Yes,' see instructions regarding required attachment	☒ Yes	☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):		
a Target normal cost (line 6)	31a	321000
b Excess assets, if applicable, but not greater than line 31a	31b	

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	3909595	1244490
b Waiver amortization installment		

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month Day Year) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	1565490

35 Balances elected for use to offset funding requirement	Carryover balance	Prefunding balance	Total balance

36 Additional cash requirement (line 34 minus line 35)	36	1565490
37 Contributions allocated toward minimum required contribution for current year, adjusted to valuation date (line 19c)	37	1862178
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	38a	296688
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40 Unpaid minimum required contribution for all years	40	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (see instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected	☐ 2 plus 7 years	☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008	☐ 2009	☐ 2010	☐ 2011

42 Amount of acceleration adjustment	42	
43 Excess installment acceleration amount to be carried over to future plan years	43	