Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2012

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
F.G. DOWNING DEVELOPMENT, INC. 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 02/08/1978

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

F.G. DOWNING DEVELOPMENT, INC.

3531 SOUTHWESTERN BLVD
ORCHARD PARK, NY 14127-1706

2b Employer Identification Number (EIN) 16-1250648

2c Sponsor's telephone number 716-675-2550

2d Business code (see instructions) 441110

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.	10/15/2013	DONNA HOWARD
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2013	DONNA HOWARD
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Preparer's telephone number (optional)

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

3b Administrator's EIN

3c Administrator's telephone number

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

4b EIN

a Sponsor's name
F.G. DOWNING DEVELOPMENT INC

4c PN

5	Total number of participants at the beginning of the plan year	**5**	327
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**	303
b	Retired or separated participants receiving benefits	**6b**	1
c	Other retired or separated participants entitled to future benefits	**6c**	15
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	319
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	319
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	188
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance Information

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

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

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

OMB No. 1210-0110

2012

This Form is Open to Public Inspection

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

A Name of plan
F.G. DOWNING DEVELOPMENT, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
F.G. DOWNING DEVELOPMENT, INC.

D Employer Identification Number (EIN)
16-1250648

Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions

Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier

PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
42-0127290	61271	354533	319	01/01/2012	12/31/2012

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

(a) Total amount of commissions paid	(b) Total amount of fees paid
5292	6848

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

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

CADARET GRANT AGENCY INC
1 LINCOLN CENTER
110 W FAYETTE ST 5TH FLR
SYRACUSE, NY 13202

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
5292	1202	REFERRAL/SERVICE FEE	3

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

CADARET GRANT & CO INC
ATTN TINA VESILOIK
110 W FAYETTE ST
SYRACUSE, NY 13202-1324

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
0	5646	PRORATED INCENTIVE, NOT DEDUCTED FROM PLAN	3

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4	Current value of plan's interest under this contract in the general account at year end	4	0
5	Current value of plan's interest under this contract in separate accounts at year end	5	6823057

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

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

Specify nature of costs ▶

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

(3) ☐ other (specify) ▶

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

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

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

(3) ☐ guaranteed investment (4) ☒ other ▶ FLEXIBLE INVESTMENT ANNUITY

b	Balance at the end of the previous year			7b	92084
c	Additions: (1) Contributions deposited during the year	7c(1)			
	(2) Dividends and credits	7c(2)			
	(3) Interest credited during the year	7c(3)			
	(4) Transferred from separate account	7c(4)			
	(5) Other (specify below)	7c(5)			
	▶				
	(6) Total additions			7c(6)	
d	Total of balance and additions (add lines **7b** and **7c(6)**).			7d	92084
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)			
	(2) Administration charge made by carrier	7e(2)			
	(3) Transferred to separate account	7e(3)	92084		
	(4) Other (specify below)	7e(4)			
	▶				
	(5) Total deductions			7e(5)	92084
f	Balance at the end of the current year (subtract line **7e(5)** from line **7d**)			7f	0

Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

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

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

m ☐ Other (specify) ▶

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

Specify nature of costs ▶

Part IV Provision of Information

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

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

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury 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
F.G. DOWNING DEVELOPMENT, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
F.G. DOWNING DEVELOPMENT, INC.

D Employer Identification Number (EIN)
16-1250648

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

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

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

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

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

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

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

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

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

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

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

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

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

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

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(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?
13 37 50 64	CONTRACT ADMINISTRATOR	10883	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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

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

OMB No. 1210-0110

2012

This Form is Open to Public Inspection.

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

A Name of plan
F.G. DOWNING DEVELOPMENT, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
F.G. DOWNING DEVELOPMENT, INC.

D Employer Identification Number (EIN)
16-1250648

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

a Name of MTIA, CCT, PSA, or 103-12 IE: PRINCIPAL STABLE VALUE FUND

b Name of sponsor of entity listed in (a): UNION BOND & TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
93-6274328-001	C	1555736

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMCAP BLEND SEP ACCT-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-029	P	0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MONEY MARKET SEP ACCT-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-024	P	0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN INTL SMALLCAP SEP ACCT-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-014	P	706545

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LGCAP GROWTH SEP ACCT-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-018	P	216332

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMCAP GROWTH SEP ACCT-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-030	P	0

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP GROWTH SEP ACCT-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
42-0127290-021	P	360582

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN U.S. PROPERTY SEP ACCT-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-027	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 143898

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN DIVERSIFIED INTL SA-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-015	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 816583

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LGCAP S&P 500 INDEX SA-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-016	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1183356

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP VALUE I SA-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-043	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 592685

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMCAP S&P 600 INDEX SA-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-028	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 72

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP S&P 400 IDX SA-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-023	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 72

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2010 SEP ACCT-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-075	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 78419

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2020 SEP ACCT-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-076	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 548189

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2030 SEP ACCT-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-077	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1383415

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2040 SEP ACCT-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-078	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 340774

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME 2050 SEP ACCT-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-079	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 198420

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETIME STRAT INC SA-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-080	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 118822

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN FIN GRP, INC. STOCK SA-R6

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-086	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 134890

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

a Plan name

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

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2012

This Form is Open to Public Inspection

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

A Name of plan
F.G. DOWNING DEVELOPMENT, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
F.G. DOWNING DEVELOPMENT, INC.

D Employer Identification Number (EIN)
16-1250648

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)	0	0
(2) Participant contributions	1b(2)	17102	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	244780	318333
(9) Value of interest in common/collective trusts	1c(9)	0	1555736
(10) Value of interest in pooled separate accounts	1c(10)	7341362	6823057
(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)	3859011	4387467
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	92084	0
(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	11554339	13084593
Liabilities			
g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	0	
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	11554339	13084593

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)	0	
(B) Participants	2a(1)(B)	621006	
(C) Others (including rollovers)	2a(1)(C)	33369	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		654375
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	8490	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		8490
(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	45620	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		45620
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		36892
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		962692
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		506343
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		2214412

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	663258	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		663258
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		10017
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	10883	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		10883
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		684158

Net Income and Reconciliation

k Net income (loss). Subtract line **2j** from line **2d**	2k		1530254
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: BONADIO & CO LLP **(2)** EIN: 16-1131146

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	0
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	0

			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	0
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	0
e	Was this plan covered by a fidelity bond?	4e	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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

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

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

Part V Trust Information (optional)

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

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

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

OMB No. 1210-0110

2012

This Form is Open to Public Inspection.

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

A Name of plan
F.G. DOWNING DEVELOPMENT, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
F.G. DOWNING DEVELOPMENT, INC.

D Employer Identification Number (EIN)
16-1250648

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** 0

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): 42-0127290

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

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

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Bonadio & Co., LLP
Certified Public Accountants

October 8, 2013

To the Trustees of the
F.G. Downing Development, Inc. 401(k) Plan:

We have conducted a DOL limited-scope audit of the financial statements of the F.G. Downing Development, Inc. 401(k) Plan (the Plan) for the year ended December 31, 2012 and have issued our report thereon dated October 8, 2013. 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 5 to those financial statements. Because of the significance of the information that we did not audit, we are unable to, and have not, expressed an opinion on those financial statements and supplemental schedule taken as a whole. We did, however, audit the form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodians, in accordance with auditing standards generally accepted in the United States of America and found them to be presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 4, 2013. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the F.G. Downing Development, Inc. 401(k) Plan are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012. We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements of the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We did not determine that there were any accounting estimates that were material to the financial statements or were considered sensitive.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

6400 Sheridan Drive, Suite 230
Williamsville, New York 14221
p (716) 633-8885
f (716) 633-9469

ROCHESTER • BUFFALO
ALBANY • SYRACUSE
NYC • PERRY
GENEVA • UTICA

www.bonadio.com

SIGNIFICANT AUDIT FINDINGS (Continued)

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We are pleased to report that there were no misstatements detected as a result of audit procedures performed.

Disagreements with Management
For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated October 8, 2013.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plan's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters
This information is intended solely for the use of the management of F.G. Downing Development, Inc. 401(k) Plan and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Bonadio & Co., LLP

F.G. DOWNING DEVELOPMENT, INC.
401(K) PLAN

Financial Statements as of
December 31, 2012 and 2011
and
Supplemental Schedule
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Participants and Plan Administrator of the
F.G. Downing Development, Inc. 401(k) Plan:

Report on the Financial Statements
We were engaged to audit the accompanying financial statements of the F.G. Downing Development, Inc. 401(k) Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 fraud or error.

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 5, which was certified by Principal Life Insurance Company and Principal Trust Company, the custodians of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the custodians hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained a certification from the custodians as of and for the years ended December 31, 2012 and 2011, that the information provided to the Plan administrator by the custodians is complete and accurate.

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

6400 Sheridan Drive, Suite 230
Williamsville, New York 14221
p (716) 633-8885
f (716) 633-9469

ROCHESTER • BUFFALO
ALBANY • SYRACUSE
NYC • PERRY
GENEVA • UTICA

www.bonadio.com

(Continued)

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

Report on Form and Content in Compliance With DOL Rules and Regulations
The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodians, 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.

Bonadio & Co., LLP

October 8, 2013

F.G. DOWNING DEVELOPMENT, INC. 401(K) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2012 AND 2011

	2012	2011
INVESTMENTS, at fair value:		
Guaranteed interest accounts	$ -	$ 92,084
Common/collective trust	1,555,736	-
Pooled separate accounts	6,823,057	7,341,362
Registered investment funds	4,387,467	3,859,011
Total investments	12,766,260	11,292,457
RECEIVABLES:		
Notes receivable from participants	318,333	244,780
Employee contributions	-	17,102
NET ASSETS AVAILABLE FOR BENEFITS	$ 13,084,593	$ 11,554,339

The accompanying notes are an integral part of these statements.

F.G. DOWNING DEVELOPMENT, INC. 401(K) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
ADDITIONS:		
Employee contributions	$ 621,007	$ 613,505
Rollover contributions	33,369	5,933
Interest income	8,490	11,325
Dividends	45,620	50,013
Realized gain on investments	86,181	33,607
Unrealized appreciation (depreciation) in fair value of investments	1,417,432	(426,976)
Total additions	2,212,099	287,407
DEDUCTIONS:		
Benefits paid to participants	670,977	245,106
Administrative expenses	10,868	13,406
Total deductions	681,845	258,512
CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	1,530,254	28,895
NET ASSETS AVAILABLE FOR BENEFITS - beginning of year	11,554,339	11,525,444
NET ASSETS AVAILABLE FOR BENEFITS - end of year	$ 13,084,593	$ 11,554,339

The accompanying notes are an integral part of these statements.

1. DESCRIPTION OF PLAN

The following is a brief description of the F.G. Downing Development, Inc. 401(k) Plan (the Plan) provided for general information purposes only. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan with salary reduction features as permitted under section 401(k) of the Internal Revenue Code and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and subsequent legislation, where applicable. The Plan is funded by employee and discretionary employer contributions. The Plan covers all employees of F.G. Downing Development, Inc., Towne Ford, Inc. and Towne Chrysler Plymouth Jeep, Inc. (collectively, the Company and Plan Sponsor). Investment fees are paid by the Plan. Certain other administrative expenses are paid by the Plan Sponsor. The assets of the Plan are maintained in a group annuity contract held by Principal Life Insurance Company as custodian and registered investment funds held by Principal Trust Company as custodian (collectively Principal).

Eligibility

All employees of the Company are eligible to participate in the Plan for purposes of employee deferrals. All employees who have completed one year of service, as defined, and are active participants on December 31 are eligible to receive employer contributions.

Contributions

Participants may authorize an elective contribution rate ranging from 1% of compensation up to the maximum annual limitations as provided by the Internal Revenue Code. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. The Plan Sponsor makes discretionary matching contributions. Discretionary matching contributions were $0 for both the years ended December 31, 2012 and 2011.

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of (a) the Company's contribution, if any, (b) Plan earnings/losses, and (c) administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Participants direct the investment of their contributions and the Company's contributions into various investment options offered by the Plan. Participants may change their investment allocation on a daily basis.

Vesting

Participants are immediately 100% vested in their elective contributions plus actual earnings/losses thereon. Participants are 20% vested in employer contributions after two years of service, as defined, with a 20% annual increase in each of the next four years.

1. DESCRIPTION OF PLAN (Continued)

Forfeitures

Forfeitures of nonvested separated participants are applied toward future Company contributions. There were no forfeitures used for the Plan years ended December 31, 2012 and 2011. Forfeitures available at December 31, 2012 and 2011 were $2,205 and $1,924, respectively.

Withdrawals and Distributions

Unless a participant elects otherwise, distributions will be made as soon as practical after a participant's normal retirement date or actual retirement date occurs. The normal retirement date is the date upon which a participant reaches age 65. Participants may elect early retirement if they have attained age 55 and completed seven years of service, as defined. Hardship distributions may be taken from a participant's vested account balance, subject to certain limitations.

Participants may receive their accumulated vested benefits held by the Plan's trustee upon termination of employment or elect to keep their vested balance in the Plan until the earlier of normal retirement age, death or disability if their account balance is in excess of $5,000. If the participant elects to keep his or her vested interest in the Plan, the participant's account will continue to receive its allocable share of earnings and losses.

Notes Receivable from Participants

Participants may borrow a minimum amount of $1,000 and a maximum amount of the lesser of $50,000 or 50% of their vested account balance. Loan terms range from 1-5 years and may exceed five years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with the applicable federal monthly rate as calculated by the Internal Revenue Service and as determined by the Plan Administrator.

Plan Termination

Although they have not expressed any intent to do so, the Company has the right to terminate the Plan. In the event of plan termination, plan assets will be allocated in accordance with the applicable provisions of ERISA.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Plan prepares its financial statements in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan invests in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risk. 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 accompanying financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Valuation of Investments

The Plan's assets are invested in guaranteed interest accounts, stable value funds, pooled separate accounts and registered investment funds through Principal. Investments in pooled separate accounts and registered investment funds are valued at fair value. The guaranteed interest accounts are considered non-fully benefit responsive, as withdrawals prior to maturity for events other than death, disability, termination, or retirement may be subject to surrender charge. As such, the guaranteed interest accounts are also reported at fair value. The guaranteed interest account fair value is the amount plan participants would receive currently if they were to withdraw or transfer funds within the Plan prior to their maturity for an event other than death, disability, termination, or retirement. Effective February 1, 2007 the guaranteed interest accounts were closed to all new money. Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 6 for further discussion of fair value measurements. Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Income Taxes

The Internal Revenue Service has determined and informed the Company by a letter dated March 31, 2008 that the Plan and related trust are designed in accordance with the applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan Administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

For employee benefit plans, their tax-exempt status itself is deemed to be an uncertainty, since events could potentially occur to jeopardize their tax-exempt status. As of December 31, 2012 and 2011 the Plan does not have a liability for unrecognized tax benefits. The Plan files the Annual Return/Report of Employee Benefit Plan (Form 5500) in the U.S. federal jurisdiction. The Plan is generally no longer subject to U.S. federal tax examinations for years before 2009.

Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable from participants are recorded as a distribution based upon the terms of the Plan Document.

Payment of Benefits

Benefits are recorded when paid.

3. INVESTMENTS

At either December 31, 2012 and 2011, or both, the following investments comprised 5% or more of the Plan assets:

	2012	2011
Principal Stable Value Fund	$ 1,555,736	$ -
Principal Lifetime 2030 Separate Account	$ 1,383,418	$ 1,165,070
Am Funds Fundamental Investment R3 Fund	$ 1,231,302	$ 1,081,582
Principal Large Cap S&P 500 Index Separate Account	$ 1,183,356	$ 1,000,463
Columbia Small Cap Value II A Fund	$ 977,493	$ 856,575
PIMCO Real Return R Fund	$ 858,309	$ 941,537
Principal Diversified International Separate Account	$ 816,583	$ 721,661
Principal International Small Cap Separate Account	$ 706,545	$ 601,390
Principal Money Market Separate Account	$ -	$ 1,365,987

The net appreciation (depreciation) in fair value of stable value fund, pooled separate accounts and/or registered investment funds (including gains and losses on investments bought and sold as well as held during the year) on investments was $1,417,432 and ($426,976) for the years ended December 31, 2012 and 2011, respectively.

4. PARTY-IN-INTEREST TRANSACTIONS

Certain plan investments are managed by Principal. Principal is the custodian as defined by the Plan and, therefore, these transactions qualify as party-in-interest. Additionally, certain plan assets consist of notes receivable from participants, which qualify as party-in-interest transactions.

Investment gains on assets invested with Principal amounted to $963,857 for the year ended December 31, 2012. Investment losses on assets invested with Principal amounted to $299,461 for the year ended December 31, 2011.

Notes receivable from participants of $318,333 and $244,780 as of December 31, 2012 and 2011, respectively, with interest rates of 3.25% to 12% also qualify as party-in-interest.

5. FINANCIAL CERTIFICATION

The following financial information relating to the Plan's assets at December 31, 2012 and 2011, as well as investment income and investment transactions for the years then ended, has been derived from information provided by Principal, the custodian of the Plan's assets, and has been certified by them as complete and accurate.

	2012	2011
Investments at fair value:		
Guaranteed interest accounts	$ -	$ 92,084
Common/collective trust	1,555,736	-
Pooled separate accounts	6,823,057	7,341,362
Registered investment funds	4,387,467	3,859,011
Total investments	$ 12,766,260	$ 11,292,457
Notes receivable from participants	$ 318,333	$ 244,780

5. FINANCIAL CERTIFICATION (Continued)

	2012	2011
Investment income for the year:		
Interest income	$ 8,490	$ 11,325
Dividends	45,620	50,013
Realized gain on investments	86,181	33,607
Unrealized appreciation (depreciation) in fair value of investments	1,417,432	(426,976)
	$ 1,557,723	$ (332,031)
Schedule of Assets (Held at Year End)	Schedule I	

6. FAIR VALUE MEASUREMENTS

The Plan uses various valuation techniques in determining fair value. ASC Section 820 established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

6. FAIR VALUE MEASUREMENTS (Continued)

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

- *Pooled Separate Accounts (other than the U.S. Property Separate Account)*: Invest in domestic stocks, international stocks, and fixed securities, such as asset or mortgage-backed securities and corporate bonds, and in mutual funds that hold such investments. The net asset values of the pooled separate accounts are not publicly quoted. The values of the underlying investments are used in determining the net asset value of each separate account. Underlying equity securities have observable quoted pricing inputs. Underlying fixed securities have observable pricing inputs, including quoted prices for similar assets in the active or non-active markets. Underlying mutual funds are valued at publicly quoted pricing inputs. The pooled separate accounts do not have any unfunded commitments relating to their investments, nor any restrictions on redemptions. Participant-directed redemptions can be made daily and do not have a redemption notice period.

- *U.S. Property Separate Account:* Invests mainly in commercial real estate and includes mortgage loans which are backed by the associated properties. The investment is valued based on discounted models which utilize information from brokers on market rents and sales comparables for similar assets as well as applicable cash flows generated by the property. This pooled separate account does not have any unfunded commitments relating to its investments, nor any significant restrictions on redemptions other than the following. Until March 25, 2011, this separate account had a temporary withdrawal limitation related to past turmoil in the credit markets that resulted in a sharp slowdown in the sale of commercial real estate assets over the last several years. The uncertain environment led to significantly increased requests for withdrawals. To allow for orderly administration and management benefitting all separate account investors, Principal implemented a pre-existing contractual limitation to delay certain withdrawal requests. Certain high need payments, such as death, disability, certain eligible retirements, and hardship withdrawals were not subject to the withdrawal limitation. Other withdrawal requests were subject to the limitation until certain liquidity levels were achieved. This restriction ended on March 25, 2011. Also, each property is appraised by a third party appraiser annually.

- *Guaranteed Interest Accounts:* Values are estimated using discounted cash flow analyses based on current interest rates being offered for similar contracts with maturities consistent with those remaining for the investment contracts being valued. Certain annuity contracts include derivatives that have been bifurcated from the host contract. The fair value of embedded derivatives is calculated based on actuarial and capital market assumption, including a non-performance risk, reflecting the projected cash flows over the life of the contract, incorporating expected policyholder behavior. The guaranteed interest accounts promise contract value for a benefit event (termination, death, disability and retirement); however there is a possible surrender charge when funds are withdrawn prior to their maturity. Thus, the guaranteed interest accounts are not considered benefit responsive. Fair market value is the amount plan sponsors would receive currently if they were to withdraw or transfer funds within the plan prior to their maturity. This fair market value represents contract value adjusted to reflect current market interest rates only to the extent such market rates exceed crediting rates. There are no unfunded commitments.

6. FAIR VALUE MEASUREMENTS (Continued)

- *Common/Collective Trust:* This is a collective investment trust ("CIT") for which the net asset value ("NAV") is based on the market value of its underlying investments. This fund contains synthetic investment contracts comprised of both underlying investment and contractual components which have observable level 1 or level 2 pricing inputs, including quoted prices for similar assets in active or non-active markets. This CIT can be redeemed at NAV as of the measurement date and on a daily basis. There are no unfunded commitments.

- *Registered Investment Funds:* Values are determined based on quoted market prices in active markets.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

	Assets at Fair Value as of December 31, 2012			
	Level 1	Level 2	Level 3	Total
Common/collective trust	$ -	$ 1,555,736	$ -	$ 1,555,736
Pooled separate accounts:				
Principal lifetime asset allocation (target date)	-	2,668,042	-	2,668,042
International equity	-	1,523,128	-	1,523,128
Large US equity	-	1,399,688	-	1,399,688
Fixed income	-	143,898	-	143,898
Mid US equity	-	953,339	-	953,339
Small US equity	-	72	-	72
Other	-	134,890	-	134,890
Registered investment funds:				
Large US equity	2,172,083	-	-	2,172,083
Small US equity	1,225,832	-	-	1,225,832
Fixed income	858,309	-	-	858,309
Mid US equity	131,243	-	-	131,243
	$ 4,387,467	$ 8,378,793	$ -	$ 12,766,260

6. FAIR VALUE MEASUREMENTS (Continued)

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

	Assets at Fair Value as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Guaranteed interest accounts	$ -	$ -	$ 92,084	$ 92,084
Pooled separate accounts:				
Principal lifetime asset allocation (target date)	-	2,138,224	-	2,138,224
International equity	-	1,323,051	-	1,323,051
Large US equity	-	1,181,120	-	1,181,120
Short-term fixed income	-	1,365,987	-	1,365,987
Mid US equity	-	754,143	-	754,143
Small US equity	-	339,796	-	339,796
Other	-	114,984	-	114,984
Fixed income	-	124,057	-	124,056
Registered investment funds:				
Large US equity	1,802,498	-	-	1,802,498
Small US equity	856,575	-	-	856,575
Fixed income	941,537	-	-	941,537
International equity	134,361	-	-	134,361
Mid US equity	124,040	-	-	124,041
	$ 3,859,011	$ 7,341,362	$ 92,084	$11,292,457

In March 2011, the fixed income - pooled separate account (U.S. Property Separate Account) was transferred out of Level 3 and into Level 2 due to the ending of the temporary withdrawal limitation (as discussed above) in accordance with the Plan's policy.

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2012 and 2011:

	Guaranteed Interest Accounts
Balance - January 1, 2011	$ 228,265
Interest and dividend income	3,503
Settlements	(139,601)
Expenses	(83)
Balance - December 31, 2011	92,084
Transfer out to other investment options	(92,084)
Balance - December 31, 2012	$ -

7. SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 8, 2013, which is the date the financial statements were available to be issued.

Schedule I

F.G. DOWNING DEVELOPMENT, INC. 401(K) PLAN

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2012

Identity of Issue		Description of Investment	Current Value
Union Bond & Trust Company		**Common/Collective Trust:**	
	*	Principal Stable Value Fund	$ 1,555,736
Principal Life Insurance Company		**Pooled Separate Accounts:**	
	*	Principal Lifetime 2030 Separate Account	1,383,418
	*	Principal Large Cap S&P 500 Index Sep Account	1,183,356
	*	Principal Diversified International Separate Account	816,583
	*	Principal International Small Cap Separate Account	706,545
	*	Principal Partners Mid Cap Value I Sep Account	592,685
	*	Principal Lifetime 2020 Separate Account	548,189
	*	Principal Partners Mid Cap Growth Sep Account	360,582
	*	Principal Lifetime 2040 Separate Account	340,774
	*	Principal Partners Large Cap Growth Sep Account	216,332
	*	Principal Lifetime 2050 Separate Account	198,420
	*	Principal Partners U.S. Property Separate Account	143,898
	*	Principal Financial Group, Inc. Stock Sep Account	134,890
	*	Principal Lifetime Strategic Income Sep Account	118,822
	*	Principal Lifetime 2010 Separate Account	78,419
	*	Principal Mid Cap S&P 400 Index Sep Account	72
	*	Principal Small Cap S&P 600 Index Sep Account	72
			6,823,057
		Registered Investment Funds:	
Capital Research & Mgmt Co		Am Funds Fundamental Investment R3 Fund	1,231,302
Columbia Mgmt Advisors		Columbia Small Cap Value II A Fund	977,493
PIMCO Funds		PIMCO Real Return R Fund	858,309
T Rowe Price		T Rowe Price New American Growth Fund	430,595
Columbia Mgmt Advisors		Columbia Value & Restruct Z Fund	336,150
Eagle Financial Services, Inc.		Eagle Small Cap Growth A Fund	248,339
Capital Research & Mgmt Co		Am Funds Cap Wld Gr&Inc R3 Fund	174,036
Columbia Mgmt Advisors		Columbia Mid Cap Value A Fund	131,243
			4,387,467
Notes Receivable from Participants	*	Interest rates range from 3.25% to 12.00%	318,333
			$ 13,084,593

* Denotes party-in-interest

This schedule was prepared solely from information certified as complete and accurate by Principal Life Insurance Company and Principal Trust Company.
The accompanying notes are an integral part of this schedule.

F051TF

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

F.G. DOWNING DEVELOPMENT, INC. 401(K) PLAN

EIN 16 1250648
PLAN NUMBER 001
PLAN YEAR 01/01/2012 TO 12/31/2012

(A)	(B) Identity of issuer, 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
	The American Funds	Registered Investment Company Am Funds Fdmntl Inv R3 Fund	$ 0.00	$ 1,231,302.82
	The American Funds	Registered Investment Company Ame Fnds Cap Wld Gr & In R3 Fd	$ 0.00	$ 174,035.88
	Columbia Funds	Registered Investment Company Columbia MidCap Value A Fund	$ 0.00	$ 131,243.05
	Columbia Funds	Registered Investment Company Columbia SmCap Value II A Fund	$ 0.00	$ 977,492.71
	Columbia Funds	Registered Investment Company Columbia Val & Restruct Z Fd	$ 0.00	$ 336,149.75
	Eagle Financial Services, Inc.	Registered Investment Company EAGLE SMALL CAP GROWTH A FUND	$ 0.00	$ 248,339.02
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Diversified Intl SA-R6	$ 0.00	$ 816,582.91
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Fin Grp, Inc. Stock SA-R6	$ 0.00	$ 134,890.17
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Intl SmallCap Sep Acct-R6	$ 0.00	$ 706,545.42
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LgCap Growth Sep Acct-R6	$ 0.00	$ 216,332.41
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LgCap S&P 500 Index SA-R6	$ 0.00	$ 1,183,356.48
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime Strat Inc SA-R6	$ 0.00	$ 118,822.42
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2010 Sep Acct-R6	$ 0.00	$ 78,419.45
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2020 Sep Acct-R6	$ 0.00	$ 548,188.93
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2030 Sep Acct-R6	$ 0.00	$ 1,383,414.95

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

F.G. DOWNING DEVELOPMENT, INC. 401(K) PLAN

EIN 16 1250648
PLAN NUMBER 001
PLAN YEAR 01/01/2012 TO 12/31/2012

(A)	(B) Identity of issuer, 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
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2040 Sep Acct-R6	$ 0.00	$ 340,774.14
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTime 2050 Sep Acct-R6	$ 0.00	$ 198,419.56
*	Principal Life Insurance Company	Pooled Separate Accounts Prin MidCap Growth Sep Acct-R6	$ 0.00	$ 360,582.46
*	Principal Life Insurance Company	Pooled Separate Accounts Prin MidCap Value I SA-R6	$ 0.00	$ 592,685.43
*	Principal Life Insurance Company	Pooled Separate Accounts Prin U.S. Property Sep Acct-R6	$ 0.00	$ 143,897.92
	PIMCO Funds	Registered Investment Company PIMCO Real Return R Fund	$ 0.00	$ 858,308.68
*	Principal Life Insurance Company	Pooled Separate Accounts PRIN MIDCAP S&P 400 IDX SA-R6	$ 0.00	$ 71.50
*	Principal Life Insurance Company	Pooled Separate Accounts PRIN SMCAP S&P 600 INDEX SA-R6	$ 0.00	$ 72.47
*	Union Bond & Trust Company	Common/Collective Trust PRINCIPAL STABLE VALUE FUND	$ 0.00	$ 1,555,736.00
	T. Rowe Price Funds	Registered Investment Company T ROWE PRICE NEW AMER GR FUND	$ 0.00	$ 430,595.08
	Participant Loans	Range of Interest Rates Rates Range From 3.25% To 12.00%	$ 0.00	$ 318,333.00

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

F.G. DOWNING DEVELOPMENT, INC.
401(K) PLAN

Financial Statements as of
December 31, 2012 and 2011
and
Supplemental Schedule
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Participants and Plan Administrator of the
F.G. Downing Development, Inc. 401(k) Plan:

Report on the Financial Statements
We were engaged to audit the accompanying financial statements of the F.G. Downing Development, Inc. 401(k) Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 fraud or error.

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 5, which was certified by Principal Life Insurance Company and Principal Trust Company, the custodians of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the custodians hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained a certification from the custodians as of and for the years ended December 31, 2012 and 2011, that the information provided to the Plan administrator by the custodians is complete and accurate.

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

6400 Sheridan Drive, Suite 230
Williamsville, New York 14221
p (716) 633-8885
f (716) 633-9469

ROCHESTER • BUFFALO
ALBANY • SYRACUSE
NYC • PERRY
GENEVA • UTICA

www.bonadio.com

(Continued)

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

Report on Form and Content in Compliance With DOL Rules and Regulations
The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodians, 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.

Bonadio & Co., LLP

October 8, 2013

F.G. DOWNING DEVELOPMENT, INC. 401(K) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2012 AND 2011

	2012	2011
INVESTMENTS, at fair value:		
Guaranteed interest accounts	$ -	$ 92,084
Common/collective trust	1,555,736	-
Pooled separate accounts	6,823,057	7,341,362
Registered investment funds	4,387,467	3,859,011
Total investments	12,766,260	11,292,457
RECEIVABLES:		
Notes receivable from participants	318,333	244,780
Employee contributions	-	17,102
NET ASSETS AVAILABLE FOR BENEFITS	$ 13,084,593	$ 11,554,339

The accompanying notes are an integral part of these statements.

F.G. DOWNING DEVELOPMENT, INC. 401(K) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
ADDITIONS:		
Employee contributions	$ 621,007	$ 613,505
Rollover contributions	33,369	5,933
Interest income	8,490	11,325
Dividends	45,620	50,013
Realized gain on investments	86,181	33,607
Unrealized appreciation (depreciation) in fair value of investments	1,417,432	(426,976)
Total additions	2,212,099	287,407
DEDUCTIONS:		
Benefits paid to participants	670,977	245,106
Administrative expenses	10,868	13,406
Total deductions	681,845	258,512
CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	1,530,254	28,895
NET ASSETS AVAILABLE FOR BENEFITS - beginning of year	11,554,339	11,525,444
NET ASSETS AVAILABLE FOR BENEFITS - end of year	$ 13,084,593	$ 11,554,339

The accompanying notes are an integral part of these statements.

1. DESCRIPTION OF PLAN

The following is a brief description of the F.G. Downing Development, Inc. 401(k) Plan (the Plan) provided for general information purposes only. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan with salary reduction features as permitted under section 401(k) of the Internal Revenue Code and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and subsequent legislation, where applicable. The Plan is funded by employee and discretionary employer contributions. The Plan covers all employees of F.G. Downing Development, Inc., Towne Ford, Inc. and Towne Chrysler Plymouth Jeep, Inc. (collectively, the Company and Plan Sponsor). Investment fees are paid by the Plan. Certain other administrative expenses are paid by the Plan Sponsor. The assets of the Plan are maintained in a group annuity contract held by Principal Life Insurance Company as custodian and registered investment funds held by Principal Trust Company as custodian (collectively Principal).

Eligibility

All employees of the Company are eligible to participate in the Plan for purposes of employee deferrals. All employees who have completed one year of service, as defined, and are active participants on December 31 are eligible to receive employer contributions.

Contributions

Participants may authorize an elective contribution rate ranging from 1% of compensation up to the maximum annual limitations as provided by the Internal Revenue Code. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. The Plan Sponsor makes discretionary matching contributions. Discretionary matching contributions were $0 for both the years ended December 31, 2012 and 2011.

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of (a) the Company's contribution, if any, (b) Plan earnings/losses, and (c) administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Participants direct the investment of their contributions and the Company's contributions into various investment options offered by the Plan. Participants may change their investment allocation on a daily basis.

Vesting

Participants are immediately 100% vested in their elective contributions plus actual earnings/losses thereon. Participants are 20% vested in employer contributions after two years of service, as defined, with a 20% annual increase in each of the next four years.

1. DESCRIPTION OF PLAN (Continued)

Forfeitures

Forfeitures of nonvested separated participants are applied toward future Company contributions. There were no forfeitures used for the Plan years ended December 31, 2012 and 2011. Forfeitures available at December 31, 2012 and 2011 were $2,205 and $1,924, respectively.

Withdrawals and Distributions

Unless a participant elects otherwise, distributions will be made as soon as practical after a participant's normal retirement date or actual retirement date occurs. The normal retirement date is the date upon which a participant reaches age 65. Participants may elect early retirement if they have attained age 55 and completed seven years of service, as defined. Hardship distributions may be taken from a participant's vested account balance, subject to certain limitations.

Participants may receive their accumulated vested benefits held by the Plan's trustee upon termination of employment or elect to keep their vested balance in the Plan until the earlier of normal retirement age, death or disability if their account balance is in excess of $5,000. If the participant elects to keep his or her vested interest in the Plan, the participant's account will continue to receive its allocable share of earnings and losses.

Notes Receivable from Participants

Participants may borrow a minimum amount of $1,000 and a maximum amount of the lesser of $50,000 or 50% of their vested account balance. Loan terms range from 1-5 years and may exceed five years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with the applicable federal monthly rate as calculated by the Internal Revenue Service and as determined by the Plan Administrator.

Plan Termination

Although they have not expressed any intent to do so, the Company has the right to terminate the Plan. In the event of plan termination, plan assets will be allocated in accordance with the applicable provisions of ERISA.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Plan prepares its financial statements in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan invests in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risk. 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 accompanying financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Valuation of Investments

The Plan's assets are invested in guaranteed interest accounts, stable value funds, pooled separate accounts and registered investment funds through Principal. Investments in pooled separate accounts and registered investment funds are valued at fair value. The guaranteed interest accounts are considered non-fully benefit responsive, as withdrawals prior to maturity for events other than death, disability, termination, or retirement may be subject to surrender charge. As such, the guaranteed interest accounts are also reported at fair value. The guaranteed interest account fair value is the amount plan participants would receive currently if they were to withdraw or transfer funds within the Plan prior to their maturity for an event other than death, disability, termination, or retirement. Effective February 1, 2007 the guaranteed interest accounts were closed to all new money. Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 6 for further discussion of fair value measurements. Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Income Taxes

The Internal Revenue Service has determined and informed the Company by a letter dated March 31, 2008 that the Plan and related trust are designed in accordance with the applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan Administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

For employee benefit plans, their tax-exempt status itself is deemed to be an uncertainty, since events could potentially occur to jeopardize their tax-exempt status. As of December 31, 2012 and 2011 the Plan does not have a liability for unrecognized tax benefits. The Plan files the Annual Return/Report of Employee Benefit Plan (Form 5500) in the U.S. federal jurisdiction. The Plan is generally no longer subject to U.S. federal tax examinations for years before 2009.

Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable from participants are recorded as a distribution based upon the terms of the Plan Document.

Payment of Benefits

Benefits are recorded when paid.

3. INVESTMENTS

At either December 31, 2012 and 2011, or both, the following investments comprised 5% or more of the Plan assets:

	2012	2011
Principal Stable Value Fund	$ 1,555,736	$ -
Principal Lifetime 2030 Separate Account	$ 1,383,418	$ 1,165,070
Am Funds Fundamental Investment R3 Fund	$ 1,231,302	$ 1,081,582
Principal Large Cap S&P 500 Index Separate Account	$ 1,183,356	$ 1,000,463
Columbia Small Cap Value II A Fund	$ 977,493	$ 856,575
PIMCO Real Return R Fund	$ 858,309	$ 941,537
Principal Diversified International Separate Account	$ 816,583	$ 721,661
Principal International Small Cap Separate Account	$ 706,545	$ 601,390
Principal Money Market Separate Account	$ -	$ 1,365,987

The net appreciation (depreciation) in fair value of stable value fund, pooled separate accounts and/or registered investment funds (including gains and losses on investments bought and sold as well as held during the year) on investments was $1,417,432 and ($426,976) for the years ended December 31, 2012 and 2011, respectively.

4. PARTY-IN-INTEREST TRANSACTIONS

Certain plan investments are managed by Principal. Principal is the custodian as defined by the Plan and, therefore, these transactions qualify as party-in-interest. Additionally, certain plan assets consist of notes receivable from participants, which qualify as party-in-interest transactions.

Investment gains on assets invested with Principal amounted to $963,857 for the year ended December 31, 2012. Investment losses on assets invested with Principal amounted to $299,461 for the year ended December 31, 2011.

Notes receivable from participants of $318,333 and $244,780 as of December 31, 2012 and 2011, respectively, with interest rates of 3.25% to 12% also qualify as party-in-interest.

5. FINANCIAL CERTIFICATION

The following financial information relating to the Plan's assets at December 31, 2012 and 2011, as well as investment income and investment transactions for the years then ended, has been derived from information provided by Principal, the custodian of the Plan's assets, and has been certified by them as complete and accurate.

	2012	2011
Investments at fair value:		
Guaranteed interest accounts	$ -	$ 92,084
Common/collective trust	1,555,736	-
Pooled separate accounts	6,823,057	7,341,362
Registered investment funds	4,387,467	3,859,011
Total investments	$ 12,766,260	$ 11,292,457
Notes receivable from participants	$ 318,333	$ 244,780

5. FINANCIAL CERTIFICATION (Continued)

	2012	2011
Investment income for the year:		
Interest income	$ 8,490	$ 11,325
Dividends	45,620	50,013
Realized gain on investments	86,181	33,607
Unrealized appreciation (depreciation) in fair value of investments	1,417,432	(426,976)
	$ 1,557,723	$ (332,031)
Schedule of Assets (Held at Year End)	Schedule I	

6. FAIR VALUE MEASUREMENTS

The Plan uses various valuation techniques in determining fair value. ASC Section 820 established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

6. FAIR VALUE MEASUREMENTS (Continued)

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

- *Pooled Separate Accounts (other than the U.S. Property Separate Account)*: Invest in domestic stocks, international stocks, and fixed securities, such as asset or mortgage-backed securities and corporate bonds, and in mutual funds that hold such investments. The net asset values of the pooled separate accounts are not publicly quoted. The values of the underlying investments are used in determining the net asset value of each separate account. Underlying equity securities have observable quoted pricing inputs. Underlying fixed securities have observable pricing inputs, including quoted prices for similar assets in the active or non-active markets. Underlying mutual funds are valued at publicly quoted pricing inputs. The pooled separate accounts do not have any unfunded commitments relating to their investments, nor any restrictions on redemptions. Participant-directed redemptions can be made daily and do not have a redemption notice period.

- *U.S. Property Separate Account:* Invests mainly in commercial real estate and includes mortgage loans which are backed by the associated properties. The investment is valued based on discounted models which utilize information from brokers on market rents and sales comparables for similar assets as well as applicable cash flows generated by the property. This pooled separate account does not have any unfunded commitments relating to its investments, nor any significant restrictions on redemptions other than the following. Until March 25, 2011, this separate account had a temporary withdrawal limitation related to past turmoil in the credit markets that resulted in a sharp slowdown in the sale of commercial real estate assets over the last several years. The uncertain environment led to significantly increased requests for withdrawals. To allow for orderly administration and management benefitting all separate account investors, Principal implemented a pre-existing contractual limitation to delay certain withdrawal requests. Certain high need payments, such as death, disability, certain eligible retirements, and hardship withdrawals were not subject to the withdrawal limitation. Other withdrawal requests were subject to the limitation until certain liquidity levels were achieved. This restriction ended on March 25, 2011. Also, each property is appraised by a third party appraiser annually.

- *Guaranteed Interest Accounts:* Values are estimated using discounted cash flow analyses based on current interest rates being offered for similar contracts with maturities consistent with those remaining for the investment contracts being valued. Certain annuity contracts include derivatives that have been bifurcated from the host contract. The fair value of embedded derivatives is calculated based on actuarial and capital market assumption, including a non-performance risk, reflecting the projected cash flows over the life of the contract, incorporating expected policyholder behavior. The guaranteed interest accounts promise contract value for a benefit event (termination, death, disability and retirement); however there is a possible surrender charge when funds are withdrawn prior to their maturity. Thus, the guaranteed interest accounts are not considered benefit responsive. Fair market value is the amount plan sponsors would receive currently if they were to withdraw or transfer funds within the plan prior to their maturity. This fair market value represents contract value adjusted to reflect current market interest rates only to the extent such market rates exceed crediting rates. There are no unfunded commitments.

6. FAIR VALUE MEASUREMENTS (Continued)

- *Common/Collective Trust:* This is a collective investment trust ("CIT") for which the net asset value ("NAV") is based on the market value of its underlying investments. This fund contains synthetic investment contracts comprised of both underlying investment and contractual components which have observable level 1 or level 2 pricing inputs, including quoted prices for similar assets in active or non-active markets. This CIT can be redeemed at NAV as of the measurement date and on a daily basis. There are no unfunded commitments.

- *Registered Investment Funds:* Values are determined based on quoted market prices in active markets.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

	Assets at Fair Value as of December 31, 2012			
	Level 1	Level 2	Level 3	Total
Common/collective trust	$ -	$ 1,555,736	$ -	$ 1,555,736
Pooled separate accounts:				
Principal lifetime asset allocation (target date)	-	2,668,042	-	2,668,042
International equity	-	1,523,128	-	1,523,128
Large US equity	-	1,399,688	-	1,399,688
Fixed income	-	143,898	-	143,898
Mid US equity	-	953,339	-	953,339
Small US equity	-	72	-	72
Other	-	134,890	-	134,890
Registered investment funds:				
Large US equity	2,172,083	-	-	2,172,083
Small US equity	1,225,832	-	-	1,225,832
Fixed income	858,309	-	-	858,309
Mid US equity	131,243	-	-	131,243
	$ 4,387,467	$ 8,378,793	$ -	$ 12,766,260

6. FAIR VALUE MEASUREMENTS (Continued)

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

	Assets at Fair Value as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Guaranteed interest accounts	$ -	$ -	$ 92,084	$ 92,084
Pooled separate accounts:				
Principal lifetime asset allocation (target date)	-	2,138,224	-	2,138,224
International equity	-	1,323,051	-	1,323,051
Large US equity	-	1,181,120	-	1,181,120
Short-term fixed income	-	1,365,987	-	1,365,987
Mid US equity	-	754,143	-	754,143
Small US equity	-	339,796	-	339,796
Other	-	114,984	-	114,984
Fixed income	-	124,057	-	124,056
Registered investment funds:				
Large US equity	1,802,498	-	-	1,802,498
Small US equity	856,575	-	-	856,575
Fixed income	941,537	-	-	941,537
International equity	134,361	-	-	134,361
Mid US equity	124,040	-	-	124,041
	$ 3,859,011	$ 7,341,362	$ 92,084	$11,292,457

In March 2011, the fixed income - pooled separate account (U.S. Property Separate Account) was transferred out of Level 3 and into Level 2 due to the ending of the temporary withdrawal limitation (as discussed above) in accordance with the Plan's policy.

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2012 and 2011:

	Guaranteed Interest Accounts
Balance - January 1, 2011	$ 228,265
Interest and dividend income	3,503
Settlements	(139,601)
Expenses	(83)
Balance - December 31, 2011	92,084
Transfer out to other investment options	(92,084)
Balance - December 31, 2012	$ -

7. SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 8, 2013, which is the date the financial statements were available to be issued.

Schedule I

F.G. DOWNING DEVELOPMENT, INC. 401(K) PLAN

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2012

Identity of Issue		Description of Investment	Current Value
Union Bond & Trust Company		**Common/Collective Trust:**	
	*	Principal Stable Value Fund	$ 1,555,736
Principal Life Insurance Company		**Pooled Separate Accounts:**	
	*	Principal Lifetime 2030 Separate Account	1,383,418
	*	Principal Large Cap S&P 500 Index Sep Account	1,183,356
	*	Principal Diversified International Separate Account	816,583
	*	Principal International Small Cap Separate Account	706,545
	*	Principal Partners Mid Cap Value I Sep Account	592,685
	*	Principal Lifetime 2020 Separate Account	548,189
	*	Principal Partners Mid Cap Growth Sep Account	360,582
	*	Principal Lifetime 2040 Separate Account	340,774
	*	Principal Partners Large Cap Growth Sep Account	216,332
	*	Principal Lifetime 2050 Separate Account	198,420
	*	Principal Partners U.S. Property Separate Account	143,898
	*	Principal Financial Group, Inc. Stock Sep Account	134,890
	*	Principal Lifetime Strategic Income Sep Account	118,822
	*	Principal Lifetime 2010 Separate Account	78,419
	*	Principal Mid Cap S&P 400 Index Sep Account	72
	*	Principal Small Cap S&P 600 Index Sep Account	72
			6,823,057
		Registered Investment Funds:	
Capital Research & Mgmt Co		Am Funds Fundamental Investment R3 Fund	1,231,302
Columbia Mgmt Advisors		Columbia Small Cap Value II A Fund	977,493
PIMCO Funds		PIMCO Real Return R Fund	858,309
T Rowe Price		T Rowe Price New American Growth Fund	430,595
Columbia Mgmt Advisors		Columbia Value & Restruct Z Fund	336,150
Eagle Financial Services, Inc.		Eagle Small Cap Growth A Fund	248,339
Capital Research & Mgmt Co		Am Funds Cap Wld Gr&Inc R3 Fund	174,036
Columbia Mgmt Advisors		Columbia Mid Cap Value A Fund	131,243
			4,387,467
Notes Receivable from Participants	*	Interest rates range from 3.25% to 12.00%	318,333
			$ 13,084,593

* Denotes party-in-interest

This schedule was prepared solely from information certified as complete and accurate by Principal Life Insurance Company and Principal Trust Company.
The accompanying notes are an integral part of this schedule.