Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2012

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
GALLERY FURNITURE PROFIT SHARING PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 08/01/1988

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

GALLERY MODEL HOMES, INC. DBA GALLERY FURNITURE

6006 NORTH FREEWAY
HOUSTON, TX 77076-4029

2b Employer Identification Number (EIN)
74-2177645

2c Sponsor's telephone number
713-694-5570

2d Business code (see instructions)
442110

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	JAMES MCINGVALE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Preparer's telephone number (optional)

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

3b Administrator's EIN

3c Administrator's telephone number

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

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	291
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**	205
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	86
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	291
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	291
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	240
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	10
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 3D

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] 0 **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

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

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

A Name of plan GALLERY FURNITURE PROFIT SHARING PLAN	**B** Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 GALLERY MODEL HOMES, INC. DBA GALLERY FURNITURE	**D** Employer Identification Number (EIN) 74-2177645

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

MALCOLM THOMPSON & ASSOCIATES

26-4203770

(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?
15 17	RECORDKEEPER	8050	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

PATRICK C. SHIELDS, PC

76-0235871

(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?
10	AUDITING FIRM	6515	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2012

This Form is Open to Public Inspection

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

A Name of plan
GALLERY FURNITURE PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
GALLERY MODEL HOMES, INC. DBA GALLERY FURNITURE

D Employer Identification Number (EIN)
74-2177645

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	2296	2201
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	29012	18094
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	3837340	3299894
(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)	263136	506368
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	80840	250440
(B) Common	1c(4)(B)	62455	65464
(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)	395905	502279
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	815754	870568
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	5486738	5515308
	Liabilities			
g	Benefit claims payable	1g	1678	0
h	Operating payables	1h	32980	21507
i	Acquisition indebtedness	1i		
j	Other liabilities	1j	26902	55675
k	Total liabilities (add all amounts in lines 1g through1j)	1k	61560	77182
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	5425178	5438126

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)		
	(B) Participants	2a(1)(B)		
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		0
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	89549	
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)	23340	
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	9633	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		122522
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)	7981	
	(B) Common stock	2b(2)(B)	1956	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	46887	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		56824
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)	83044	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		83044

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		262390
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	218642	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		218642
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		19385
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	11265	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	150	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		11415
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		249442
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		12948
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: PATRICK C. SHIELDS, P.C. **(2)** EIN: 76-0235871

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

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

Part IV Compliance Questions

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

During the plan year:

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

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		1000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j	X		
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		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
GALLERY FURNITURE PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
GALLERY MODEL HOMES, INC. DBA GALLERY FURNITURE

D Employer Identification Number (EIN)
74-2177645

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): 74-2177645

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):

GALLERY FURNITURE PROFIT SHARING PLAN
Houston, Texas

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2012

GALLERY FURNITURE PROFIT SHARING PLAN
Houston, Texas

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PATRICK C. SHIELDS, P.C.
Certified Public Accountants

P.O. Box 947
33254 Hannibal Rd.
Fulshear, TX 77441

Tel (281) 346-1240
Fax (281) 346-2746

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Gallery Furniture Profit Sharing Plan
Houston, Texas

We have audited the accompanying financial statements of Gallery Furniture Employee Benefit 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 year then ended December 31, 2012, and related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and the 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 our audits. We conducted our audits in accordance with the auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Gallery Furniture Profit Sharing Plan as of December 31, 2012 and 2011, and the changes in its net assets available for benefits for the year ended December 31, 2012, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets held for investment purposes and reportable transactions together referred to as "supplemental information" are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Fulshear, Texas
October 15, 2013

GALLERY FURNITURE PROFIT SHARING PLAN
Houston, Texas

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2012 AND 2011

ASSETS

	2012	2011
Investments at Fair Value		
Certificates of Deposit	$ 2,289,635	$ 3,657,656
Money Market Funds	1,010,259	179,684
Corporate Stocks	65,464	62,455
Corporate Debt Instruments	756,808	343,976
Mutual Funds	870,568	815,754
	4,992,734	5,059,525
Receivables		
Notes receivable from participants	446,604	369,003
Accrued Interest	18,094	29,012
	464,698	398,015
Cash	2,201	2,296
Total Assets	5,459,633	5,459,836

LIABILITIES AND MEMBERS' EQUITY

Liabilities		
Tax Withholding Payable	21,507	32,980
Accrued Expenses	0	1,678
	21,507	34,658
Net Assets Available for Benefits	$ 5,438,126	$ 5,425,178

See notes to the financial statements.

GALLERY FURNITURE PROFIT SHARING PLAN
Houston, Texas

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2012

Additions to Net Assets Attributed to	
Investment Income:	
Net Appreciation in Fair Value of Investments	$ 83,044
Interest	128,972
Dividends	50,374
Total Additions	262,390
Deductions from Net Assets Attributed to	
Benefits Paid to Participants	218,642
Deemed Distribution of Participant Loan	19,385
Administrative Expenses	11,415
Total Deductions	249,442
Net Increase	12,948
Net Assets Available for Benefits	
Beginning of Year	5,425,178
End of Year	$ 5,438,126

See notes to the financial statements.

GALLERY FURNITURE PROFIT SHARING PLAN
Houston, Texas

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

NOTE 1 - DESCRIPTION OF PLAN

The following description of Gallery Furniture Profit Sharing Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution plan covering all full-time employees of the Company who have one year of service and are age twenty-one or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions: Each year, the Company contributes to the Plan a discretionary amount as determined by the Board of Directors.

Participant Accounts: Each Participant's account is credited with the Company contribution in equal amounts. Plan earnings are allocated based on Participants' account balances. Forfeitures of terminated Participants' non-vested accounts are re-allocated in equal shares among active Participants' accounts.

Vesting: Vesting is based on years of service. Percentages are the following:

Years of Service	Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Payment of Benefits: On termination of service for retirement, a Participant may elect to receive either a lump-sum amount equal to the value of his or her account, a joint and survivor annuity, a life annuity, the purchase of a different form of annuity, or equal installments over a period of not more than the assumed life expectancy determined at the time of distribution.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

Date of Management's Review: Subsequent events were evaluated through October 15, 2013, which is the date the financial statements were available to be issued.

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

Payment of Benefits: Benefits are recorded when paid.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Estimates: The preparation of the financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Investment Valuation and Income Recognition: The Plan's investments are stated at fair value. If available, quoted market prices are used to value investments. 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.

Notes Receivable from Participants: Loans to participants are reported at their unpaid principal balances plus any accrued but unpaid interest.

NOTE 3 - FAIR VALUE MEASUREMENTS

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

The fair value measurements accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consist of three broad levels: Level 1 inputs consists of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs were used only when Level 1 inputs were not available. There have been no changes in the methodologies used at December 31, 2011 and 2012.

NOTE 4 - PARTICIPANT LOANS

Participants in the Plan can borrow up to 50% of the vested balance in their account. Interest is at prime plus 1% with payments made weekly through payroll deductions from the employee’s check. The maximum loan period is one year and no new loans can be made until any existing loan is repaid. Total Participant notes outstanding at December 31, 2012 and 2011 were $446,604 and $369,003, respectively.

NOTE 5 - PLAN TERMINATION

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

NOTE 6 - TAX STATUS

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

NOTE 7 – INVESTMENTS

The Plan's investments are held by Merrill Lynch, a brokerage firm. The following table presents investments at December 31, 2012 and 2011. At December 31, 2012 and 2011, no investments represented 5% or more of the Plan’s net assets.

The following tables set forth, by level within the fair value hierarchy, the Plan’s investments at fair value as of December 31, 2012 and 2011:

	Fair Value	Fair Value of Measurements Using: (Level 1)
December 31, 2012		
Certificates of Deposit	$ 2,289,635	$ 2,289,635
Corporate Stocks	65,464	65,464
Corporate Debt Instruments	756,808	756,808
Mutual Funds	870,568	870,568
Money Market Funds	1,010,259	1,010,259
Total	$ 4,992,734	$ 4,992,734

NOTE 7 – INVESTMENTS (Continued)

	Fair Value	Fair Value of Measurements Using: (Level 1)
December 31, 2011		
Certificates of Deposit	$ 3,657,656	$ 3,657,656
Corporate Stocks	62,455	62,455
Corporate Debt Instruments	343,976	343,976
Mutual Funds	815,754	815,754
Money Market Funds	179,684	179,684
Total	$ 5,059,525	$ 5,059,525

During 2012, the Plan's investments (including investments bought, sold and held during the year) appreciated in value by $262,390.

NOTE 8 – DELINQUENT LOAN CONTRIBUTIONS

The Department of Labor (DOL Reg. 2580.412-11) requires an employer to segregate participant loan repayments from its general account as soon as practicable, but in no event later than the 15th business day following the end of the month in which employee loan payments were withheld from their wages. At December 31, 2012, outstanding loan remittances were $245,179. All delinquent loan payments were remitted to the Plan subsequent to the year end. The Company will contribute lost earnings and interest, file Form 5330, and pay all applicable excise taxes in 2013.

Supplemental Schedules

Schedule H, Part IV, 4i - Schedule of Assets Held for Investment Purposes

Gallery Furniture Profit Sharing Plan
Assets Held for Investment Purposes
December 31, 2012
Federal Identification Number: 74-2177645 Plan Number: 001

(a) (b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value		(d) Cost	(e) Current value
CD Ally Bank	CD	1.300% Oct 8 2013	100,000	100,188
CD Ally Bank	CD	0.600% Mar 07 2014	100,000	99,303
CD Alpine Bank	CD	2.100% Feb 12 2014	98,000	98,968
CD Bank of Baroda NY	CD	2.900% Feb 04 2013	98,000	98,119
BMO Harris Bank	CD	STEP% Sep 09 2024	100,000	98,500
CD Business Bk Of Fox River	CD	2.300% Dec 23 2014	98,000	99,611
CD Business First Bank	CD	2.700% Oct 09 2014	98,000	100,384
CD Comm Bk Tri-County	CD	2.900% Nov 20 2014	98,000	100,808
DN BNC National Bank	CD	2.500% Jun 06 2022	100,000	98,750
CD Flushing SB FSB	CD	2.400% Jan 15 2014	98,000	99,203
CD FNB - Fox Valley	CD	2.700% Nov 25 2014	98,000	100,464
HSBC Bank USA, NA	CD	4.070% May 18 2022	98,000	101,034
CD One Bank and Trust NA	CD	2.400% Nov 28 2014	98,000	99,925
CD Planters Bank	CD	2.700% Nov 28 2014	98,000	100,474
CD State Bank of India	CD	4.450% Jan 11 2013	97,000	97,062
CD Synovus Bank	CD	2.000% Mar 24 2014	99,000	99,955
CD United National Bk	CD	2.450% Nov 14 2014	50,000	51,009
CD HSBC Bank	CD	3.750% Jan 20 2023	50,000	49,990
CD Cole Taylor Bank	CD	3.550% Aug 10 2026	100,000	99,500
CD 1st Fin Bk USA	CD	2.150% Sep 7 2018	100,000	98,950
CD First Credit Bank	CD	2.500% Oct 28 2021	100,000	98,750
CD Banco Pop PR	CD	1.000% May 20 2013	200,000	199,939
CD First Credit Bank	CD	2.500% Oct 28 2021	100,000	98,750
BB&T Corporation	Corp Bonds	Notes 5.200%	50,000	49,140
Goldman Sachs Group Inc	Corp Bonds	Notes 5.950% Jan 18 2018	108,777	116,369
HSBC Finance Corp	Corp Bonds	Notes 5.800% Sep 15 2014	100,000	106,146
HSBC Finance Corp	Corp Bonds	Notes 5.000% Feb 15 2013	60,000	59,850
JP Morgan Chase & Co	Corp Bonds	Notes 6.125% Jun 27 2017	111,009	116,828
Morgan Stanley Cap VIII	Corp Bonds	Notes 6.450% Apr 15 2067	50,000	49,780
Merrill Lynch Cap Trust	Corp Bonds	Notes 6.450% Jun 15 2062	50,000	49,760
Prudential Financial Inc	Corp Bonds	Notes 6.100% Jun 15 2017	42,019	47,181
Prudential Financial Inc	Corp Bonds	Notes 6.000% Dec 01 2017	55,298	59,994
Public Storage	Corp Bonds	Notes 5.625%	50,000	51,960
Wells Fargo & Company	Corp Bonds	Notes 5.125%	50,000	49,800
AOL Inc	Equities	Common Stock	0	444
AT&T CORP	Equities	Common Stock	10,040	5,225
Comcast Corp	Equities	Common Stock	16,805	18,082
Embarq Corp	Equities	Common Stock	2,472	1,643
Hewlett Packard	Equities	Common Stock	40,249	9,006
Intel Corporation	Equities	Common Stock	21,528	10,310
Nokia Corporation	Equities	Common Stock	52,025	3,950
Nortel Networks Corp	Equities	Common Stock	33,371	-
PRG Schultz Intl Inc Ga	Equities	Common Stock	29,018	1,290
Sprint Nextel Corp	Equities	Common Stock	24,067	3,589
Time Warner Inc SHS	Equities	Common Stock	0	11,925
AllianceBernstein High Income Fund	Mutual Fund		199,990	203,450
Alliance Technology Fund	Mutual Fund		19,994	9,517
Allianz NFJ Large Cap Value FD CL C Value	Mutual Fund		50,845	50,449
Blackrock Focus Twenty Fund	Mutual Fund		75,043	20,027
Blackrock Senior Floating Rate Fund II	Mutual Fund		86,775	87,279
Eaton Vance Prime Rate	Mutual Fund		174,286	171,709
John Hancock Strategic Income Fund	Mutual Fund		146,571	148,977
John Hancock Technology Fund	Mutual Fund		35,027	8,282
Mainstay High Yield	Mutual Fund		153,635	121,837
Pimco Tot Ref	Mutual Fund		50,000	49,040
Cash -Money Market	Money Market Account		1,010,259	1,010,259
			$ 5,235,103	$ 4,992,734

Schedule H, Line 4i – Schedule of Investment Assets Both Acquired and Disposed of Within the Plan Year

Gallery Furniture Profit Sharing Plan
Schedule of Investment Assets Both Acquired and Disposed of Within the Plan Year
For the Year Ended December 31, 2012

Employer Identification Number: 74-2177645 Plan Number: 001

(a) Identity of issue, borrower, lessor or similar party	(b) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(c) Costs of acquisitions	(d) Proceeds of Dispositions

None

Schedule H, Part IV, 4j - Schedule of Reportable Transactions

Gallery Furniture Profit Sharing Plan
Schedule of Reportable Transactions
For the Year Ended December 31, 2012

Employer Identification Number: 74-2177645 Plan Number: 001

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)

None

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 ☒ a single-employer plan; ☐ a DFE (specify) ____

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

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

D Check box if filing under: ☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
GALLERY FURNITURE PROFIT SHARING PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 08/01/1988

2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)
GALLERY MODEL HOMES, INC. DBA GALLERY FURNITURE

6006 NORTH FREEWAY

HOUSTON TX 77076-4029

2b Employer Identification Number (EIN) 74-2177645

2c Sponsor's telephone number 713-694-5570

2d Business code (see instructions) 442110

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	Signature of plan administrator	Date 10/15/13	Enter name of individual signing as plan administrator JAMES MCINGVALE
SIGN HERE	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE	Signature of DFE	Date	Enter name of individual signing as DFE

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

Preparer's telephone number (optional)

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

6006 NORTH FREEWAY

HOUSTON TX 77076-4029

3b Administrator's EIN

3c Administrator's telephone number

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

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	291
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**	205
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	86
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	291
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f	Total. Add lines **6d** and **6e**.	**6f**	291
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	240
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	10
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 3D

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

Schedule H, Part IV, 4j - Schedule of Reportable Transactions

Gallery Furniture Profit Sharing Plan
Schedule of Reportable Transactions
For the Year Ended December 31, 2012

Employer Identification Number: 74-2177645 Plan Number: 001

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)

None

Schedule H, Part IV, 4i - Schedule of Assets Held for Investment Purposes

Gallery Furniture Profit Sharing Plan
Assets Held for Investment Purposes
December 31, 2012
Federal Identification Number: 74-2177645 Plan Number: 001

(a) (b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value		(d) Cost	(e) Current value
CD Ally Bank	CD	1.300% Oct 8 2013	100,000	100,188
CD Ally Bank	CD	0.600% Mar 07 2014	100,000	99,303
CD Alpine Bank	CD	2.100% Feb 12 2014	98,000	98,968
CD Bank of Baroda NY	CD	2.900% Feb 04 2013	98,000	98,119
BMO Harris Bank	CD	STEP% Sep 09 2024	100,000	98,500
CD Business Bk Of Fox River	CD	2.300% Dec 23 2014	98,000	99,611
CD Business First Bank	CD	2.700% Oct 09 2014	98,000	100,384
CD Comm Bk Tri-County	CD	2.900% Nov 20 2014	98,000	100,808
DN BNC National Bank	CD	2.500% Jun 06 2022	100,000	98,750
CD Flushing SB FSB	CD	2.400% Jan 15 2014	98,000	99,203
CD FNB - Fox Valley	CD	2.700% Nov 25 2014	98,000	100,464
HSBC Bank USA, NA	CD	4.070% May 18 2022	98,000	101,034
CD One Bank and Trust NA	CD	2.400% Nov 28 2014	98,000	99,925
CD Planters Bank	CD	2.700% Nov 28 2014	98,000	100,474
CD State Bank of India	CD	4.450% Jan 11 2013	97,000	97,062
CD Synovus Bank	CD	2.000% Mar 24 2014	99,000	99,955
CD United National Bk	CD	2.450% Nov 14 2014	50,000	51,009
CD HSBC Bank	CD	3.750% Jan 20 2023	50,000	49,990
CD Cole Taylor Bank	CD	3.550% Aug 10 2026	100,000	99,500
CD 1st Fin Bk USA	CD	2.150% Sep 7 2018	100,000	98,950
CD First Credit Bank	CD	2.500% Oct 28 2021	100,000	98,750
CD Banco Pop PR	CD	1.000% May 20 2013	200,000	199,939
CD First Credit Bank	CD	2.500% Oct 28 2021	100,000	98,750
BB&T Corporation	Corp Bonds	Notes 5.200%	50,000	49,140
Goldman Sachs Group Inc	Corp Bonds	Notes 5.950% Jan 18 2018	108,777	116,369
HSBC Finance Corp	Corp Bonds	Notes 5.800% Sep 15 2014	100,000	106,146
HSBC Finance Corp	Corp Bonds	Notes 5.000% Feb 15 2013	60,000	59,850
JP Morgan Chase & Co	Corp Bonds	Notes 6.125% Jun 27 2017	111,009	116,828
Morgan Stanley Cap VIII	Corp Bonds	Notes 6.450% Apr 15 2067	50,000	49,780
Merrill Lynch Cap Trust	Corp Bonds	Notes 6.450% Jun 15 2062	50,000	49,760
Prudential Financial Inc	Corp Bonds	Notes 6.100% Jun 15 2017	42,019	47,181
Prudential Financial Inc	Corp Bonds	Notes 6.000% Dec 01 2017	55,298	59,994
Public Storage	Corp Bonds	Notes 5.625%	50,000	51,960
Wells Fargo & Company	Corp Bonds	Notes 5.125%	50,000	49,800
AOL Inc	Equities	Common Stock	0	444
AT&T CORP	Equities	Common Stock	10,040	5,225
Comcast Corp	Equities	Common Stock	16,805	18,082
Embarq Corp	Equities	Common Stock	2,472	1,643
Hewlett Packard	Equities	Common Stock	40,249	9,006
Intel Corporation	Equities	Common Stock	21,528	10,310
Nokia Corporation	Equities	Common Stock	52,025	3,950
Nortel Networks Corp	Equities	Common Stock	33,371	-
PRG Schultz Intl Inc Ga	Equities	Common Stock	29,018	1,290
Sprint Nextel Corp	Equities	Common Stock	24,067	3,589
Time Warner Inc SHS	Equities	Common Stock	0	11,925
AllianceBernstein High Income Fund	Mutual Fund		199,990	203,450
Alliance Technology Fund	Mutual Fund		19,994	9,517
Allianz NFJ Large Cap Value FD CL C Value	Mutual Fund		50,845	50,449
Blackrock Focus Twenty Fund	Mutual Fund		75,043	20,027
Blackrock Senior Floating Rate Fund II	Mutual Fund		86,775	87,279
Eaton Vance Prime Rate	Mutual Fund		174,286	171,709
John Hancock Strategic Income Fund	Mutual Fund		146,571	148,977
John Hancock Technology Fund	Mutual Fund		35,027	8,282
Mainstay High Yield	Mutual Fund		153,635	121,837
Pimco Tot Ref	Mutual Fund		50,000	49,040
Cash -Money Market	Money Market Account		1,010,259	1,010,259
			$ 5,235,103	$ 4,992,734

Schedule H, Line 4i – Schedule of Investment Assets Both Acquired and Disposed of Within the Plan Year

Gallery Furniture Profit Sharing Plan
Schedule of Investment Assets Both Acquired and Disposed of Within the Plan Year
For the Year Ended December 31, 2012

Employer Identification Number: 74-2177645 Plan Number: 001

(a) Identity of issue, borrower, lessor or similar party	(b) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(c) Costs of acquisitions	(d) Proceeds of Dispositions

None