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
SOUTHWEST SHIPYARD L.P. 401(K) SAVINGS AND RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 10/01/1990

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

SOUTHWEST SHIPYARD, L.P.

18310 MARKET STREET
CHANNELVIEW, TX 77530

18310 MARKET STREET
CHANNELVIEW, TX 77530

2b Employer Identification Number (EIN)
76-0515702

2c Sponsor's telephone number
281-860-3200

2d Business code (see instructions)
336610

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

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

Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address

SOUTHWEST SHIPYARD, L.P.

18310 MARKET STREET
CHANNELVIEW, TX 77530

3b Administrator's EIN
76-0515702

3c Administrator's telephone number
281-860-3200

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**	396
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**	377
b	Retired or separated participants receiving benefits	**6b**	2
c	Other retired or separated participants entitled to future benefits	**6c**	32
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	411
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	1
f	Total. Add lines **6d** and **6e**	**6f**	412
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	176
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	4
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)	☐	Insurance
(2)	☐	Code section 412(e)(3) insurance contracts
(3)	☒	Trust
(4)	☐	General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE 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
SOUTHWEST SHIPYARD L.P. 401(K) SAVINGS AND RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
SOUTHWEST SHIPYARD, L.P.

D Employer Identification Number (EIN)
76-0515702

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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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?
37 64 65	RECORDKEEPER	3125	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

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

MORGAN STANLEY SMITH BARNEY

26-4310632

(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?
49 99	ADVISOR		Yes [X] No [ ]	Yes [X] No [ ]	366	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 [ ]

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

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(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: HAM, LANGSTON, & BREZINA
b EIN: 76-0448495
c Position: ACCOUNTANT
d Address: 11550 FUQUA SUITE 475
HOUSTON, TX 77034
e Telephone: 281-481-1040

Explanation: MANAGEMENT DECISION - NO DISPUTE

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
SOUTHWEST SHIPYARD L.P. 401(K) SAVINGS AND RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
SOUTHWEST SHIPYARD, L.P.

D Employer Identification Number (EIN)
76-0515702

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	2459857	2568001
(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)	273083	282844
(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)	5118035	6164180
(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	7850975	9015025
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	7850975	9015025

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)	221181	
	(B) Participants	2a(1)(B)	583562	
	(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)		804743
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	249	
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	14784	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		15033
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	83753	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		83753
	(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)		
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)		
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		

		(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)		643865
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		1547394
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	370051	
(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)		370051
f Corrective distributions (see instructions)	2f		10167
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	3126	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		3126
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		383344
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		1164050
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: PKF **(2)** EIN: 76-0356844

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

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

Part IV Compliance Questions

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

During the plan year:

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

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		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		X	

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
SOUTHWEST SHIPYARD L.P. 401(K) SAVINGS AND RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
SOUTHWEST SHIPYARD, L.P.

D Employer Identification Number (EIN)
76-0515702

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): 04-6568107

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):

Southwest Shipyard, L.P.
401(k) Savings and Retirement Plan

Financial Statements
and Supplemental Schedules

December 31, 2012

Southwest Shipyard, L.P.
401(k) Savings and Retirement Plan

December 31, 2012

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Schedules not included herein are omitted because of the absence of conditions under which they are required.

PANNELL KERR FORSTER OF TEXAS, P.C.
CPAs & Professional Advisors
5847 San Felipe, Suite 2400
Houston, Texas 77057-3092
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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator and Participants of
Southwest Shipyard, L.P. 401(k) Savings and Retirement Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Southwest Shipyard, L.P. 401(k) Savings and Retirement Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2012, and the related statements of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with U.S. generally accepted auditing standards. 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 ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), 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 Fidelity Management Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the year ended December 31, 2012, that the information provided to the Plan administrator by the trustee 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 the financial statements referred to in the first paragraph.

Other Matter - Supplemental Schedules

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules – Schedule H, line 4i and 4a, which are the responsibility of Plan management, are presented for the purpose of additional analysis and are not a required part of the financial statements but are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is appropriate to and we do not express an opinion on the supplemental schedules referred to above.

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

The form and content of the information included in the 2012 financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with U.S. generally accepted auditing standards and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Other Matter - 2011 Financial Statements

The financial statements of the Plan as of December 31, 2011, were audited by other auditors. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed the other auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by Fidelity Management Trust Company, the trustee of the Plan. Their report, dated September 21, 2012, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not, express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the trustee, were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Pannell Kerr Forster of Texas, P.C.

October 14, 2013

Southwest Shipyard, L.P.
401(k) Savings and Retirement Plan

Statements of Net Assets Available for Benefits

	December 31, 2012	December 31, 2011
Assets		
Investments at fair value		
Money market fund	$ 2,568,001	$ 2,459,857
Mutual funds	6,164,177	5,118,035
Total investments at fair value	8,732,178	7,577,892
Receivables		
Participant contributions	22,660	20,982
Employer contributions	8,844	8,343
Notes receivable from participants	282,844	273,083
Total receivables	314,348	302,408
Total assets	9,046,526	7,880,300
Liabilities		
Excess contributions payable	6,678	13,150
Total liabilities	6,678	13,150
Net assets available for benefits	$ 9,039,848	$ 7,867,150

See notes to financial statements.

Southwest Shipyard, L.P.
401(k) Savings and Retirement Plan

Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31,	
	2012	2011
Additions to net assets		
Participant contributions	$ 591,712	$ 540,139
Employer contributions	221,682	199,861
Rollover contributions	-	179,678
Interest and dividends from investments	84,001	140,199
Interest on notes receivable from participants	14,784	14,777
Net appreciation in fair value of investments	643,863	-
Total additions	1,556,042	1,074,654
Deductions from net assets		
Benefits and withdrawals	380,218	478,983
Net depreciation in fair value of investments	-	302,245
Administrative expenses	3,126	2,807
Total deductions	383,344	784,035
Net increase in net assets available for benefits	1,172,698	290,619
Net assets available for benefits - beginning of year	7,867,150	7,576,531
Net assets available for benefits - end of year	$ 9,039,848	$ 7,867,150

See notes to financial statements.

Southwest Shipyard, L.P.
401(k) Savings and Retirement Plan

Notes to Financial Statements

December 31, 2012

Note 1 - Description of the Plan

The following description of the Southwest Shipyard, L.P. 401(k) Savings and Retirement Plan (the "Plan") provides only general information. Participants should refer to the *Plan Document* for a more complete description of the Plan's provisions.

General

The Plan, established October 1, 1990, and last amended on October 10, 2010, is a defined contribution plan covering all full-time employees of Southwest Shipyard, L.P. (The "Company") who are age 21 or older and who have completed one year of service. One year of service means the first twelve months of employment or any Plan year during which an employee is credited with one thousand (1,000) or more hours of service with the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Administration

The Plan is administered by the Company (the "Plan Administrator"). Fidelity Management Trust Company (the "Trustee") serves as the Plan's trustee.

Contributions

Each year participants may contribute a portion of their pretax annual compensation not to exceed the limitations set forth by the Internal Revenue Code ("IRC") Section 402. Participants may contribute up to 25% of eligible compensation as defined in the Plan. Participants may also rollover amounts representing distributions from other qualified plans. Participants may make catch-up contributions, pre-tax contributions that exceed the annual elective deferral limit, during any calendar year ending on or after the participant's 50th birthday. Participants' total catch-up contributions for years ended December 31, 2012 and 2011 cannot exceed $5,500.

The Company matches 50% of the first 6% of base compensation that a participant contributes to the Plan. The Plan also provides for discretionary employer contributions. During the years ended December 31, 2012 and 2011, the Company made matching contributions of $221,682 and $199,861, respectively. No discretionary employer contributions were made in 2012 or 2011.

Participant accounts

Each participant's account is credited with the participant's contribution, an allocation of the Plan earnings/losses, administrative expenses, the Company's matching contribution and allocations of any discretionary employer contributions. Allocations of net Plan earnings are based on the ratio of the participant's account balance to all participant account balances within each fund, as defined by the Plan. Upon the occurrence of a distribution event, the benefit to which a participant is entitled is the benefit that can be provided from the participant's vested interest in his or her account.

Southwest Shipyard, L.P.
401(k) Savings and Retirement Plan

Notes to Financial Statements

December 31, 2012

Note 1 - Description of the Plan (Continued)

Vesting

Participants are immediately vested in their voluntary and rollover contributions plus actual earnings thereon. Vesting in the Company matching and discretionary contribution portion of a participant's account plus actual earnings thereon is based on years of continuous service according to the following schedule:

Years of Service	Percent Vested
Less than 1 year	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 or more	100%

A participant is also 100% vested in all Company contributions upon the following: reaching retirement age of 59½ years, termination of employment by reason of total and permanent disability or death, reaching the age of 65 while employed at the Company, or termination of the Plan.

Participant notes receivable

Participants may borrow from their fund accounts at a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of the participant's vested account balance. Loan terms range from 1 to 5 years or up to 10 years for the purchase of a primary residence. The loans are secured by up to 50% of the vested balance in the participant's account and bore interest at a rate of 5.25% during the years ended December 31, 2012 and 2011, commensurate with local prevailing rates as determined by the Plan administrator. Principal and interest payments are made by means of payroll withholdings according to the terms of the respective promissory note. Under the terms of the Plan, a participant may have only one loan at any given time. Participant notes receivable outstanding as of December 31, 2012 and 2011 totaled $282,844 and $273,083, respectively.

Payment of benefits

Upon termination of employment due to death, disability, or retirement, a participant (or his/her designated beneficiary in the event of death) may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account. Instead of a lump-sum amount, a participant may elect to receive his or her vested account balance in monthly, quarterly, semiannual, or annual installments. For termination of employment due to other reasons, the vested interest in his or her account may be distributed as a rollover to another plan or a lump-sum distribution.

Southwest Shipyard, L.P.
401(k) Savings and Retirement Plan

Notes to Financial Statements

December 31, 2012

Note 1 - Description of the Plan (Continued)

Forfeitures

All employer contributions credited to a participant's account, but not vested, are forfeited by the participant upon termination. Such forfeited balances are used to pay Plan expenses or to reduce employer contributions. As of December 31, 2012 and 2011, forfeited nonvested accounts totaled $1,524 and $3,349, respectively. During the year ended December 31, 2012 and 2011 forfeitures of $6,608 and $17,845, respectively, were used to reduce Plan expenses.

Administrative expenses

The Company pays certain administrative expenses of the Plan. Any expenses not paid by the Company are paid either with forfeitures or by the Plan through the reduction of assets.

Plan termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. Upon such termination, all participants would be 100% vested in their accounts.

Note 2 - Summary of Significant Accounting Policies

Basis of accounting

The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("GAAP").

Use of estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results may differ from these estimates.

Risks and uncertainties

The Plan provides for various investment options which are exposed to various risks, such as interest rate risk, market risk and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits and Statement of Changes in Net Assets Available for Benefits.

Investment valuation and revenue recognition

The Plan's investments in registered investment companies (mutual funds) and money market funds are reported at fair value based upon quoted market prices in an active market when available or at estimated fair value as determined by the trustee when quoted market prices are unavailable. See Note 3 regarding fair value measurements.

Note 2 - Summary of Significant Accounting Policies (Continued)

Investment valuation and revenue recognition (continued)

Net appreciation or depreciation in fair value of investments includes realized gains and losses on investments sold during the year and unrealized appreciation or depreciation of investments held at the end of the year. Purchases and sales of securities are recorded on a trade date basis. Dividends are recorded on the ex-dividend date.

Participant notes receivable

Participant notes receivable are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon terms of the Plan document.

Benefit payments

Benefit payments to participants are recorded upon distribution.

Reclassification

Certain amounts in the 2011 financial statements have been reclassified to conform to current year presentation. These reclassifications had no effect on the net assets available for benefit.

Note 3 - Fair Value Measurements

The Plan uses a three-level hierarchy for grouping assets and liabilities, based on the significance of inputs. The hierarchy of fair value measurements is described below:

- Level 1 – quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of these assets or liabilities; or
- Level 3 – unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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

Note 3 - Fair Value Measurements (Continued)

The Plan's investments in a money market fund and mutual funds are valued daily at the net asset value of shares or units held by the Plan based on the quoted market value of the underlying assets. This valuation may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the valuation method is considered appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value of the Plan's assets classified as Level 1 as of December 31, 2012 and 2011 are as follows:

	2012	2011
Money market fund	$2,568,001	$2,459,857
Mutual funds		
Bond	834,693	711,896
International	636,765	509,397
Large growth	847,463	704,297
Large blend	307,786	255,495
Large value	878,939	771,992
Mid-cap blend	326,154	258,519
Mid-cap growth	213,302	164,945
Moderate allocation	319,241	264,454
Retirement income	7,897	3,568
Small blend	697,152	634,880
Target date	1,094,785	838,592
Total investments	$8,732,178	$7,577,892

Note 4 - Investments

The following table presents the fair values of individual investments that represent 5% or more of the Plan's net assets available for benefits as of December 31:

	2012	2011
Money market funds		
Fidelity Treasury Fund	$2,568,001	$2,459,857
Mutual funds		
Fidelity Advisor Equity Income Fund	878,939	771,992
Fidelity Advisor Intermediate Bond Fund	576,861	528,540
Fidelity Advisor Small Cap Fund	697,152	634,880

During 2012 and 2011, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value by $643,863 and $(302,245), respectively.

Southwest Shipyard, L.P.
401(k) Savings and Retirement Plan

Notes to Financial Statements

December 31, 2012

Note 5 - Information Certified by the Trustee (Unaudited)

For Plan years 2012 and 2011, the financial information included in the Plan's financial statements and Schedule H, line 4i, except for contributions receivable, contributions, benefits and withdrawals, and administrative expenses, has been derived from information certified as complete and accurate by the Trustee, in accordance with 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Note 6 - Income Tax Status

The volume submitter plan adopted by the Company received its latest favorable advisory letter dated March 31, 2008, in which the Internal Revenue Service stated that the plan, as then designed, was in compliance with applicable requirements of the IRC. The Plan has been amended since receiving the advisory letter, however, the Plan administrator believes that the Plan is currently designed and is being operated within the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

The Plan recognizes in the financial statements the impact of uncertain tax positions taken only if it is more likely than not of being sustained upon examination by the taxing authority based on the technical merits of the position. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2009.

Note 7 - Party-In-Interest Transactions

Certain Plan investments are units in investment funds managed by the Trustee, thus these investments qualify as party-in-interest transactions.

Note 8 - Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31:

	2012	2011
Net assets available for benefits per the financial statements	$9,039,848	$ 7,867,150
Participant contributions receivable	(22,660)	(20,982)
Employer contributions receivable	(8,844)	(8,343)
Excess contributions payable	6,678	13,150
Other	3	-
Net assets available for benefits per the Form 5500	$9,015,025	$ 7,850,975

Note 8 - Reconciliation of Financial Statements to Form 5500 (Continued)

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to the Form 5500 for the years ended December 31, 2012 and 2011:

	2012	2011
Net increase in net assets available for benefits per the financial statements	$1,172,698	$ 290,619
Change in participant contributions receivable	(1,678)	(1,689)
Employer contributions receivable	(501)	(885)
Excess contributions payable	(6,472)	(12,829)
Other	3	2
Net income per form 5500	$1,164,050	$ 275,218

Note 9 - Uncertainty

The Company is currently researching certain participant and employer match contributions that were not properly funded in accordance with Plan provisions. The Company intends to correct any instances of non-compliance with the Plan document. Further, the Company believes that the extent and nature of the participant and employer matching contributions to be corrected will not adversely affect the operations of the Plan or have a material adverse effect on the financial statements of the Plan.

Note 10 - Subsequent Events

Plan management has evaluated subsequent events through October 14, 2013, which was the date the financial statements were available to be issued, and has determined that there are no significant events to be reported.

Supplemental Schedules

Southwest Shipyard, L.P. 401(k) Savings and Retirement Plan

Schedule H, line 4i - Schedule of Assets Held at End of Year
Employer Identification Number: 76-0515702/Plan Number: 002

December 31, 2012

a	b	c	d	e
	Identity of issue, borrower, lessor, or similar party	**Description of investment including maturity date, rate of interest, collateral, par or maturity value**	**Cost**	**Current value**
		Money market fund		
*	Fidelity Management Trust Company	Fidelity Treasury Fund	**	$ 2,568,001
		Mutual funds		
*	Fidelity Management Trust Company	Fidelity Advisor High Income Advantage Fund	**	257,832
*	Fidelity Management Trust Company	Fidelity Advisor Growth Opportunity	**	238,784
*	Fidelity Management Trust Company	Fidelity Advisor Balanced Fund	**	319,241
*	Fidelity Management Trust Company	Fidelity Advisor Value Strategies Fund	**	326,154
*	Fidelity Management Trust Company	Fidelity Advisor Overseas Fund	**	218,523
*	Fidelity Management Trust Company	Fidelity Advisor Growth & Income Fund	**	227,116
*	Fidelity Management Trust Company	Fidelity Advisor Equity Income Fund	**	878,939
*	Fidelity Management Trust Company	Fidelity Advisor Equity Growth Fund	**	357,729
*	Fidelity Management Trust Company	Fidelity Advisor Intermediate Bond Fund	**	576,861
*	Fidelity Management Trust Company	Fidelity Advisor International Capital Appreciation Fund	**	86,791
*	Fidelity Management Trust Company	Fidelity Advisor Small Cap Fund	**	697,152
*	Fidelity Management Trust Company	Fidelity Advisor Stock Selector Mid Cap Fund	**	213,302
*	Fidelity Management Trust Company	Fidelity Advisor Dividend Growth	**	331,451
*	Fidelity Management Trust Company	Fidelity Advisor Equity Value	**	80,670
*	Fidelity Management Trust Company	Fidelity Advisor Stock Selector All Cap Fund	**	250,950
*	Fidelity Management Trust Company	Fidelity Advisor Freedon Income Fund	**	7,897
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2010 Fund	**	113,900
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2020 Fund	**	337,170
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2030 Fund	**	90,802
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2040 Fund	**	27,206
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2005 Fund	**	14,954
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2015 Fund	**	123,054
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2025 Fund	**	280,479
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2035 Fund	**	78,790
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2045 Fund	**	14,211
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2050 Fund	**	11,138
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2055 Fund	**	3,081
*	Loans to participants	Principal balances ranging up to $24,564 accruing interest at 5.25% per annum, secured by participants' individual vested accrued benefits due at various dates through December 2017.	-	282,844

* Party-in-interest as defined by ERISA.
** Cost omitted for participant-directed investments.

Southwest Shipyard, L.P. 401(k) Savings and Retirement Plan
E.I.N. 76-0515702

Schedule H, line 4a - Schedule of Delinquent Participant Contributions

For the Year Ended December 31, 2012

	Participant contributions transferred late to plan	Total that constitute nonexempt prohibited transactions			
	Check here if late participant loan repayments are included: ☑	Contributions not corrected	Contributions corrected outside VFCP	Contributions pending correction in VFCP	Total fully corrected under VFCP and PTE 2002-51
*	$ 75,032	$ 75,032	$ -	$ -	$ -

* This represents the total amount of participant contributions and loan repayments that were withheld from employees, but not remitted timely into trust by the Plan sponsor in 2012. Loss of earnings associated with the late remittances has not been corrected as of December 31, 2012.