

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2012 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>	
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 <u>USA RETIREMENT PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>117</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1999</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>117</u>	1c Effective date of plan <u>01/01/1999</u>	
1b Three-digit plan number (PN) ▶	<u>117</u>				
1c Effective date of plan <u>01/01/1999</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>UNITED SPACE ALLIANCE LLC</u> <u>600 GEMINI STREET</u> <u>HOUSTON, TX 77058</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>76-0492757</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>281-212-6200</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>336410</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>76-0492757</u>	2c Sponsor's telephone number <u>281-212-6200</u>	2d Business code (see instructions) <u>336410</u>	
2b Employer Identification Number (EIN) <u>76-0492757</u>					
2c Sponsor's telephone number <u>281-212-6200</u>					
2d Business code (see instructions) <u>336410</u>					

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. Signature of plan administrator	<u>12/13/2013</u> Date	<u>PATRICIALRECORDS</u> Enter name of individual signing as plan administrator
SIGN HERE	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☒ Same as Plan Sponsor Address PATRICIA RECORDS BENEFITS PLAN ADMINISTRATOR		3b Administrator's EIN 72-1590233
		3c Administrator's telephone number 281-282-3759
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 7723
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	0
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	0
d Subtotal. Add lines 6a , 6b , and 6c	6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1G 1E 1I		
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 D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection.
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan <u>USA RETIREMENT PLAN</u>	B Three-digit plan number (PN)	<u>117</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>UNITED SPACE ALLIANCE LLC</u>	D Employer Identification Number (EIN) <u>76-0492757</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: USA DEFINED BENEFIT MASTER TRUST

b Name of sponsor of entity listed in (a): UNITED SPACE ALLIANCE LLC

c EIN-PN <u>76-0492757-001</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>493091</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 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 USA RETIREMENT PLAN	B Three-digit plan number (PN) ►	117
C Plan sponsor's name as shown on line 2a of Form 5500 UNITED SPACE ALLIANCE LLC	D Employer Identification Number (EIN) 76-0492757	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	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)	0	151160
	(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)		
	(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)	543387463	493091
	(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)	0	46215482
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(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	543387463	46859733

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 through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	543387463	46859733
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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)	242372961	
(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)		242372961
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(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)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(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)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(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)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		16204015
(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		258576976

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	423331006	
(2) To insurance carriers for the provision of benefits	2e(2)	331773700	
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		755104706
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		755104706

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-496527730
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) ☒ 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 ☐ No

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

(1) Name: PRICEWATERHOUSECOOPERS LLP

(2) EIN: 13-4008324

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:

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.).....

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.).....

	Yes	No	Amount
4a		X	
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.)		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.).....		X	
e Was this plan covered by a fidelity bond?.....	X		15000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		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?		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?		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.).....	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.).....		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?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		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.		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:

0

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

A Name of plan <u>USA RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>117</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>UNITED SPACE ALLIANCE LLC</u>	D Employer Identification Number (EIN) <u>76-0492757</u>

Part I	Distributions
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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	<u>0</u>
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): <u>13-5581829</u> <u>23-1945930</u>		
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	<u>0</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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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
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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.
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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: 0% Investment-Grade Debt: 0% High-Yield Debt: 100% Real Estate: 0% Other: 0%

- 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):

USA Retirement Plan

Financial Statements

December 31, 2012 and 2011

USA Retirement Plan

Index

	Page(s)
Report of Independent Auditors	1
Financial Statements	
Statements of Net Assets Available for Plan Benefits December 31, 2012 and 2011	3
Statements of Changes in Net Assets Available for Plan Benefits Years Ended December 31, 2012 and 2011	4
Notes to Financial Statements December 31, 2012 and 2011	5–15
Supplemental Schedule	
Schedule H, Line 4i – Schedule of Assets (Held at End of Year), December 31, 2012	16
* Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure Requirements under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.	



Independent Auditor's Report

To the Participants and Administrator of
the USA Retirement Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the USA Retirement Plan (the "Plan"), which comprise the statements of net assets available for plan benefits as of December 31, 2012 and 2011 and the related statement of changes in net assets available for plan benefits for the years ended December 31, 2012 and 2011, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 9, which was certified by The Bank of New York Mellon, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. 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 December 31, 2012 and 2011 and for the years then ended, 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.



Other Matter

The supplemental schedule of Schedule of Assets (Held at End of Year) as of December 31, 2012 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on this supplemental schedule.

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

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

PricewaterhouseCoopers LLP

December 9, 2013

USA Retirement Plan
Statements of Net Assets Available for Plan Benefits
December 31, 2012 and 2011

	2012	2011
Assets		
Investment in the USA Defined Benefit Master Trust, at fair value	\$ 493,091	\$ 495,999,559
Net assets held in 401(h) account	<u>46,366,642</u>	<u>47,387,904</u>
Total assets	<u>46,859,733</u>	<u>543,387,463</u>
Liabilities		
Amounts related to obligation of 401(h) account	<u>46,366,642</u>	<u>47,387,904</u>
Total liabilities	<u>46,366,642</u>	<u>47,387,904</u>
Net assets available for plan benefits	<u>\$ 493,091</u>	<u>\$ 495,999,559</u>

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

USA Retirement Plan

Statements of Changes in Net Assets Available for Plan Benefits Years Ended December 31, 2012 and 2011

	2012	2011
Net assets available for plan benefits at beginning of year	<u>\$ 495,999,559</u>	<u>\$ 421,866,604</u>
Net income from investment in the USA Defined Benefit Master Trust	13,976,323	97,134,849
Employer contributions	242,372,961	-
Benefit payments	<u>(751,855,752)</u>	<u>(23,001,894)</u>
Net (decrease) increase	<u>(495,506,468)</u>	<u>74,132,955</u>
Net assets available for plan benefits at end of year	<u>\$ 493,091</u>	<u>\$ 495,999,559</u>

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

USA Retirement Plan

Notes to Financial Statements

December 31, 2012 and 2011

1. Description of the Plan

The following brief description of the USA Retirement Plan (the "Plan") sponsored by United Space Alliance, LLC ("USA" or the "Company"), is provided for general purposes only. Participants should refer to the Plan document for more complete information. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

General

The Plan was established as a carve-out from a Boeing North American Retirement Plan (the "BNA Plan"), which was sponsored by Boeing North American ("BNA") for Rockwell International Corporation ("Rockwell"). In 1996, the National Aeronautics & Space Administration ("NASA") consolidated several contracts into one contract, the Space Flight Operations Contract (the "SFOC"), which was awarded to USA. Accordingly, certain employees of Rockwell became employees of USA and, effective March 1, 1999, BNA transferred assets and liabilities to the Plan for the benefit of certain employees previously covered by the BNA Plan. Effective October 1, 2006, USA and NASA entered into the Space Program Operations Contract ("SPOC"). The SPOC contract is effective beginning October 1, 2006 to September 30, 2010, plus, if exercised, 5 option periods of a single year (for a potential total period performance of nine years). The government awarded an award-fee/performance-fee contract structured similarly to the terms of the extension under the SFOC. The government exercised an option period extending the SPOC to September 30, 2012, with subsequent close out activity.

USA previously sponsored, and maintained the USA Retirement Plan as three separate plans consisting of the Plan along with two affiliated plans, the USA Retirement Plan – Former AlliedSignal Sub Plan (the "Allied Plan") and the USA Retirement Plan – Former Unisys Sub Plan (the "Unisys Plan"). On November 8, 2001, USA executed a resolution to authorize the merger of the assets and liabilities of the Allied Plan and the Unisys Plan with and into the Plan effective as of December 31, 2001, (the "Merger"). Accordingly, The Bank of New York Mellon, formerly Mellon Bank ("Mellon" or the "Master Trustee"), was authorized to transfer such assets into the Plan on December 31, 2001, and to maintain these assets in one account as the USA Retirement Plan. In connection with the merger, the Plan was hereinafter renamed as the USA Retirement Plan. These transferred assets are for the benefit of all eligible employees participating in the USA Retirement Plan.

Plan Termination

In October 2010, the Compensation Committee (the "Committee") of USA, elected to terminate the plan effective as of December 31, 2010, subject to the concurrence as to such date by the Internal Revenue Service ("IRS") and any other federal agency appropriately involved in the termination process. At that point, all participants became fully vested. The Plan's net assets are to be distributed in the following order of priority:

- Benefits attributable to employee contributions, taking into account those paid out before termination.
- Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding plan termination.

USA Retirement Plan

Notes to Financial Statements

December 31, 2012 and 2011

- Other vested benefits insured by the Pension Benefit Guaranty Corporation ("PBGC") (a U.S. government agency) up to the applicable limitations (discussed subsequently).
- All other vested benefits (that is, vested benefits not insured by the PBGC).

The Plan received a favorable determination letter, dated June 19, 2012, from the IRS with respect to the termination of the Plan. The Plan also has obtained the proper PBGC approvals. Following the receipt of the favorable determination letter, the Plan Administrator began the process of distributing the assets of the Plan to the participants. Participants had the option of a cash lump sum, a direct rollover, or the purchase of an annuity as further discussed below:

- If a participant was not in pay status at December 31, 2010, the participant could elect a lump sum, an immediate annuity or a deferred annuity;
- If the participant retired after December 31, 2008, the participant could elect a lump sum, keep their current annuity payment or change their form of annuity payment going forward.
- If the lump sum value for anyone not in pay status at December 31, 2010, was under \$5,000, the participant could elect a lump sum rollover; but if no election was made, the benefit was paid to the participant with taxes withheld.
- If the participant was in pay status before December 31, 2008, the participant had no election; and their annuity benefit continued according to their election at the time of commencement.
- If the participant did not make an election, the already in pay annuity amount or deferred annuity was the default.

In July 2012, the Plan purchased an annuity contract from Principal Life Insurance Company ("Principal"), totaling \$331,773,700 to provide benefits effective September 2012 for plan participants who were currently receiving a benefit and for those with a deferred annuity benefit. Under this contract, Principal is obligated to pay benefits to named participants or their beneficiaries, and as such, this contract is not included in the assets of the Plan. In addition to the annuity contract, the Plan paid lump sum distributions, in July 2012, to certain participants totaling \$402,819,338.

Eligibility

The Plan covers all former employees of Rockwell employed under the NASA/Rockwell contract, all former employees of Rockwell subsequently employed by USA under the SFOC and subsequently, SPOC, and all participants who were receiving benefits from the BNA Plan or who were terminated but eligible to receive a benefit under the BNA Plan.

In addition, effective December 31, 2001, in connection with the Merger of the Allied Plan and the Unisys Plan, the Plan covers all former employees of AlliedSignal Technical Services Corporation ("Allied") and Unisys Corporation ("Unisys") employed under the respective subcontracts of the Space Transportation System Operations Contract ("STSOC"), all former employees of Allied and Unisys subsequently employed by USA under the SFOC, and all participants who were receiving benefits from the STSOC Retirement Plan or who were terminated but eligible to receive a benefit under the STSOC Retirement Plan. The Plan also provides for retroactive coverage to eligible employees of USA hired on or after June 1, 1996, as defined by the Plan, former Allied and Unisys rehires and eligible employees who transferred to USA and worked in Houston on or after June 1, 1996, who were former employees of Lockheed Martin Space Operations ("LMSO") and who worked at LMSO in Florida ("LMSO Transfers").

USA Retirement Plan

Notes to Financial Statements

December 31, 2012 and 2011

In September 2006, USA executed a resolution to discontinue participation in the Plan for employees hired after October 1, 2006. Eligible employees prior to October 1, 2006 continued to accrue benefits until the Committee approved the termination of the plan.

Administration

The Benefits Plan Administrator of the Company is responsible for the operation and administration of the Plan and is authorized to redelegate such responsibilities to the Committee as the administrator may deem necessary and appropriate.

Master Trust

On July 1, 1999, USA entered into a defined benefit master trust agreement, known as the USA Defined Benefit Master Trust (the "Master Trust"), with Mellon. The Master Trust was established for the collective investment of certain defined benefit plans sponsored by USA. In July 1999, the Plan adopted the Master Trust and, accordingly, transferred the assets of the Plan to the Master Trust.

Pension Benefits

Participants generally become fully vested after five years of vesting service, as defined by the Plan. There is no partial vesting of benefits. The Plan provides for normal retirement benefits when employees reach the later of age 65 or the fifth anniversary of the most recent date on which the participant became an employee and has provisions for early retirement and death benefits. Disability benefits are available to certain grandfathered employees. Upon retirement, the amount of benefits under the Plan is the highest amount determined based on three different computations: (a) the Regular Benefit Formula, (b) the Career Average Earnings Formula, or (c) the Minimum Benefit Formula, as provided by the Plan. Under each benefit computation, the annual benefit is a percentage of earnings or average annual earnings multiplied or adjusted by years of credited service, as defined by the Plan.

Benefits are payable in the form of a joint and survivor annuity, a single-life annuity, or other optional payment forms as set forth in the plan document.

If the present value of the pension benefits for participants other than certain grandfathered employees, as of the participant's normal retirement age does not exceed \$5,000, the vested portion of the benefit will be distributed in a lump sum.

Depending on age and credited service at the time of retirement, certain grandfathered employees may qualify for other benefit supplements in addition to the basic benefit as set forth in the plan document.

The Plan also provides certain medical benefits (Note 2).

Expenses

The Plan's administrative and investment expenses may be paid by the Plan or USA as deemed appropriate by the plan administrator. During 2012 and 2011, certain expenses were paid by the Master Trust and allocated monthly to the participating plans (Note 10). Fees paid by USA on behalf of the Plan for administrative services amounted to \$1,363,876 and \$652,707 for the years ended December 31, 2012 and 2011, respectively.

Recent Accounting Pronouncements

In May 2011, the FASB issued ASU 2011-04 *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*. ASU 2011-4 is intended to

USA Retirement Plan

Notes to Financial Statements

December 31, 2012 and 2011

improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. GAAP and IFRS. The amendments are of two types: (i) those that clarify the FASB's intent about the application of existing fair value measurement and disclosure requirements and (ii) those that change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The update is effective for annual periods beginning after December 15, 2011. The adoption of this update did not have a material impact on the Plan's financial statements.

In December 2011, the FASB issued ASU No. 2011-11 *Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities* that requires additional information regarding financial instruments and derivatives instruments that are offset or subject to an enforceable master netting arrangement or similar agreement. The amendment is effective for the Plan on January 1, 2013. Plan management does not anticipate that the adoption of the amendment will have a material effect on the Plan's financial statements.

On July 8, 2013, the FASB issued ASU No. 2013-09, Fair Value (Topic 820), *Deferral of the Effective Date of Certain Disclosures for Nonpublic Employee Benefit Plans* in Update No. 2011-04. This final standard provides an indefinite deferral for certain quantitative fair value disclosures for nonpublic employee benefit plans. Plan management does not anticipate that the adoption of the amendment will have a material effect on the Plan's financial statements.

2. 401(h) Account

The Plan includes a medical-benefit component in addition to normal retirement benefits to fund a portion of the postretirement obligations for retirees and a spouse or dependent of the eligible retiree in accordance with Section 401(h) of the Internal Revenue Code ("IRC"). A separate account was established for such contributions in the master trust (Note 10). In accordance with IRC Section 401(h), the Plan's investments in the 401(h) account may not be used for, or diverted to, any purpose other than providing health benefits for retirees and a spouse or dependent of the retiree.

Any assets funded to the 401(h) account from USA and the related obligations for health benefits are not included in this plan's obligations in the statement of accumulated plan benefits but are reflected as obligations in the financial statements of the health and welfare benefit plan. Plan participants do not contribute to the 401(h) account. In accordance with Committee resolution, employer contributions to the 401(h) ceased as of December 31, 2010. Certain of the plan's net assets are restricted to fund a portion of postretirement health benefits for retirees and their beneficiaries in accordance with IRC Section 401(h). The Plan sponsor is currently working with the IRS to amend the Plan so that these 401(h) assets may be moved to another eligible plan (Note 13).

3. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Investments

The Plan's investment in the Master Trust is recorded at an amount equal to the Plan's interest in the underlying investments of the Master Trust. Investments of the Master Trust are stated at fair value. During 2011, the Committee changed the Plan's investment strategy to primarily a

USA Retirement Plan

Notes to Financial Statements

December 31, 2012 and 2011

common/collective trust which is valued at the closing net asset value on the last business day of the year. Prior to 2011, common and preferred stock are stated at fair value based on published market closing prices. Investments in fixed income securities are valued by a pricing service which determines valuations of normal institutionalized trading units of such securities using methods based upon market transactions for comparable securities and various relationships between securities which are generally recognized by institutional traders, or at fair value as determined in good faith by the Trustee of the Trust. The fair value of the common collective trusts is valued at the closing net asset value on the last business day of the year. For those trusts recorded at contract value, the fair value and contract value are based on the fair value and contract value of the underlying investments in the trust. Interests in partnerships and joint ventures are valued at estimated fair value based on fair value as reported in the audited financial statements. 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. The Plan's net investment income from the Master Trust is reflected in the statement of changes in net assets available for benefits as net income from investment in the Master Trust (Note 10).

Benefit Payments

Benefits are recorded when paid. Metropolitan Life Insurance Company ("Metlife") was the paying agent for distribution of benefits under the Plan until August 2012. Lump sum payments were paid by Vanguard Fiduciary Trust Company, as paying agent. Effective September 2012, Principal held all annuity obligations (Note 1).

Use of Estimates

The preparation of these financial statements in conformity with U.S. GAAP requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated Plan benefits at the date of the financial statements. Actual results could differ from those estimates.

4. Accumulated Plan Benefits

Accumulated plan benefits are those future benefit payments attributable under the Plan's provisions to service that employees have rendered. The actuarial present value of accumulated plan benefits is determined by an independent actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the benefit information date and the expected payment dates.

USA Retirement Plan
Notes to Financial Statements
December 31, 2012 and 2011

The Plan's accumulated plan benefits, at January 1, 2012, are presented below for the specified categories of participants:

Actuarial present value of accumulated plan benefits

Vested benefits	
Participants currently receiving benefit payments	\$ 245,078,945
Other participants	89,211,101
Total vested benefits	<u>334,290,046</u>
Nonvested benefits	-
Total actuarial present value of accumulated plan benefits	<u>\$ 334,290,046</u>

The table below summarizes the changes in accumulated plan benefits of the Plan for the year ended January 1, 2012:

Actuarial present value of accumulated plan benefits at beginning of year	<u>\$ 330,938,354</u>
Decrease during the year attributable to	
Benefit payments	(23,001,894)
Passage of time at 8.25%	26,353,586
Net increase	<u>3,351,692</u>
Actuarial present value of accumulated plan benefits at end of year	<u>\$ 334,290,046</u>

As of January 1, 2012 the above liabilities were based on an ongoing basis as required under ASC-960, using an 8.25% interest rate and other assumptions and methodologies associated with an ongoing valuation. In July 2012, liabilities were settled as a result of the plan termination. Approximately 45% of the liability was transferred to Principal Life Insurance Company based on annuity purchase rates at that time including a 3.37% discount rate, and 55% of the liabilities were settled through lump sum payments through the plan based on 2012 plan lump sum rates of 1.99% for annuity benefits payable in years 0-4, 4.47% for years 5-19, and 5.26% for all years thereafter.

In July 2012, the Plan fully paid its obligation, as follows:

Actuarial present value of accumulated plan benefits at January 1, 2012	<u>\$ 334,290,046</u>
Decrease during the period January 1, 2012 to July 31, 2012 attributable to	
Passage of time at 8.25%	17,666,543
Change in actuarial assumptions	399,899,163
Benefit payments:	
Payments by Metlife, paying agent	(17,262,714)
Payments by Vanguard, paying agent	(402,819,338)
Payment to Principal	(331,773,700)
Total benefit payments	<u>(751,855,752)</u>
Net decrease	<u>(334,290,046)</u>
Actuarial present value of accumulated plan benefits at July 31, 2012	<u>\$ -</u>

USA Retirement Plan

Notes to Financial Statements

December 31, 2012 and 2011

5. Funding Policy

Contributions to provide benefits under the Plan are made solely by USA. USA's funding policy is to make cash contributions to the Plan in amounts at least equal to the minimum required contribution as actuarially derived. During 2012 and 2011, USA contributed \$242,372,961 and \$0, respectively, to the Plan. These amounts met the ERISA minimum funding requirements.

Funding for medical benefits is described in Note 2.

On August 17, 2006, the Pension Protection Act of 2006 ("PPA Act"), a comprehensive pension reform legislation which revised many rules surrounding defined benefit plans was signed into law. The plan sponsor has implemented the provisions of the PPA Act and the impacts have been included in the Plan's financial statements.

6. Tax Status

U.S. GAAP requires the Plan's management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions by the plan, and has concluded that as of December 31, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The plan is subject to routine audits by taxing jurisdictions; and an audit is currently ongoing over years 2011 and 2010. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2009.

The Plan obtained its latest determination letter on June 19, 2012, which the IRS stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. No amendments have been made to the Plan since receiving the determination letter. Accordingly, no provision is made for federal income taxes.

7. Related-Party Transactions

During 2012 and 2011, certain Plan investments were managed by Mellon or its affiliates. As Mellon has served as the Master Trustee and custodian of the Plan during these years, these transactions qualified as party-in-interest transactions, exempt as defined in ERISA Section 408 and regulations thereunder.

8. Risks and Uncertainties

The Plan, through its investment in the Master Trust, provides for investment in various investment securities (Note 10). Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term.

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

USA Retirement Plan

Notes to Financial Statements

December 31, 2012 and 2011

9. Information Certified by the Plan's Trustee

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Plan's trustee has certified that the following data included in the accompanying financial statements is complete and accurate as of December 31, 2012 and 2011 and the years then ended:

- Investment in the USA Defined Benefit Master Trust and Net Assets held in 401(h) account as shown in the statements of net assets available for plan benefits and in Notes 2, 3, 10 and 11.
- Net income from the investment in the USA Defined Benefit Master Trust, as shown in the statements of changes in net assets available for plan benefits and information in Note 10.

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and accordingly, such data is unaudited.

10. Investment in USA Defined Benefit Plan Master Trust

The Master Trust is a trust established for the Plan and several other defined benefit plans sponsored by USA. The following benefit plans participate in the Master Trust:

- USA Retirement Plan
- USA SRB Retirement Plan
- USA FERC Retirement Plan
- USA Retirement Plan for Employees at USA Florida Operations
- USA Retirement Plan for Hourly Employees

Each participating defined benefit plan has an undivided interest in the Master Trust. At December 31, 2012 and 2011, the Plan's interest in the net assets of the Master Trust was approximately 51.62% and 67.11%, respectively. The participating defined benefit plans originally purchased units of the Master Trust at a unit value of \$1 per unit. The value of the units in the Master Trust is adjusted at the end of each month to reflect the earnings (losses) on investments plus the market value appreciation or (depreciation) of investments, net of investment-related expenses. Master Trust units are purchased and redeemed based upon the prior month's unit value.

The following table presents the participating plans' equity of the Master Trust as of December 31, 2012 and 2011 as well as the activity for the years ending December 31, 2012 and 2011:

USA Retirement Plan
Notes to Financial Statements
December 31, 2012 and 2011

	2012	2011
Common/collective trusts	\$ 955,201	\$ 738,474,285
Corporate debt instruments	-	4,630
Total investments	955,201	738,478,915
Receivables, including receivable on investments sold, dividend and interest receivable	51	553,152
Participating plan's equity	\$ 955,252	\$ 739,032,067

	2012	2011
Dividends	\$ 1,251	\$ 911,016
Interest	321	3,846,623
Net gain (loss) from		
Partnership/joint venture interests	-	444,485
Common/collective trusts	23,169,976	123,749,050
Preferred stocks	-	17,189
Common stocks	23,589	20,062,026
U.S. government securities	-	3,334,456
Corporate debt instruments	-	675,568
Other	-	1,282,863
	23,195,137	154,323,276
Administrative expenses	(2,670,135)	(1,431,708)
Total investment gain	20,525,002	152,891,568
Transfer into the Plan	387,014,946	-
Transfer from the Plan	(1,145,616,763)	(89,433,999)
Net (decrease) increase	\$ (738,076,815)	\$ 63,457,569

11. Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. ASC 820 also specifies a fair value hierarchy based upon the observability of inputs used in valuation techniques. Observable inputs (highest level) reflect market data obtained from independent sources, while unobservable inputs (lowest level) reflect internally-developed market assumptions. In accordance with ASC 820, fair value measurements are classified using the following hierarchy:

- Level 1 Quoted prices for identical instruments in active markets.
- Level 2 Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in

USA Retirement Plan
Notes to Financial Statements
December 31, 2012 and 2011

which all significant inputs or significant value-drivers are observable in active markets.

Level 3 Model-derived valuations in which one or more significant inputs or significant value-drivers are unobservable.

When available, quoted market prices are used to determine fair value and such measurements are classified within Level 1. In some cases where market prices are not available, observable market based inputs are used to calculate fair value, in which case the measurements are classified within Level 2. If quoted or observable market prices are not available, fair value is based upon internally developed models that use, where possible, current market-based parameters such as interest rates, yield curves and currency rates. These measurements are classified within Level 3.

Fair value measurements are classified according to the lowest level input or value-driver that is significant to the valuation. A measurement may therefore be classified within Level 3 even though there may be significant inputs that are readily observable.

The following table sets forth by level, within the fair value hierarchy, the investments of the Master Trust and 401(h) account, at fair values as of December 31, 2012:

	Level 1	Level 2	Level 3	Fair Value
USA Defined Benefit Master Trust				
Common/collective trusts				
Cash equivalents	\$ 955,201	\$ -	\$ -	\$ 955,201
USA 401(h) account				
Cash equivalents	151,160	-	-	151,160
Registered investment companies	46,215,482	-	-	46,215,482
	<u>\$ 47,321,843</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,321,843</u>

The following table sets forth by level, within the fair value hierarchy, the investments of the Master Trust at fair values as of December 31, 2011:

	Level 1	Level 2	Level 3	Fair Value
Common/collective trusts				
Cash equivalents	\$ 1,107,901	\$ -	\$ -	\$ 1,107,901
Fixed income securities	-	737,366,384	-	737,366,384
Corporate debt instruments				-
Common	4,630	-	-	4,630
	<u>\$ 1,112,531</u>	<u>\$ 737,366,384</u>	<u>\$ -</u>	<u>\$ 738,478,915</u>

The following table summarizes the attributes of the investments in certain entities that calculate Net Asset Value ("NAV") per share at December 31, 2012:

USA Retirement Plan
Notes to Financial Statements
December 31, 2012 and 2011

	Fair Value	Unfunded Commitments	Remaining Life	Redemption Frequency (If Currently Eligible)	Trade to Settlement Terms	Redemption Notice Period
Common/collective trust investing in cash equivalents	\$ 955,201 ⁽¹⁾	\$ -	N/A	Daily, pending market conditions	1-3 days	N/A
	<u>\$ 955,201</u>	<u>\$ -</u>				

(1) These categories represent investments in the Common Collective Trust investing in cash equivalents as noted. Its investments are valued at NAV. All the funds have daily liquidity and are not subject to any redemption restrictions at the measurement date. The funds have different trading terms varying from one to three days.

12. Reconciliation of Financial Statements to Form 5500

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

	2012	2011
Net assets available for plan benefits per the financial statements	\$ 493,091	\$ 495,999,559
Net assets held in 401(h) account included as assets in Form 5500	<u>46,366,642</u>	<u>47,387,904</u>
Net assets available for plan benefits per Form 5500	<u>\$ 46,859,733</u>	<u>\$ 543,387,463</u>

The net assets of the 401(h) account included in Form 5500 are not available to pay pension benefits but can be used only to pay retiree health benefits.

The following is a reconciliation of the changes in net assets per the financial statements to the Form 5500:

	Year Ended December 31, 2012		
	Amounts Per Financial Statements	401(h) Account	Amounts Per Form 5500
Net income (loss) from investment in the USA Defined Benefit Master Trust	\$ 13,976,323	\$ 2,227,691	\$ 16,204,014
Benefit payments	(751,855,752)	(3,248,954)	(755,104,706)

13. Subsequent Events

For the year ended December 31, 2012, the Plan evaluated subsequent events from January 1, 2013 to December 9, 2013, the date that these financial statements were made available to be issued.

In February 2013, the Plan Sponsor and the IRS entered into an agreement permitting the Plan's 401(h) account assets to be transferred to the 401(h) account maintained under the USA Money Purchase Plan.

Supplemental Schedule

USA Retirement Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2012

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment	Current Value
* EB Investment Temporary Fund (401h)	Cash Equivalent	\$ 151,160
* Vanguard Total Bond Market Index (401h)	Registered Investment Company	46,215,482
* Investment in USA Defined Benefit Master Trust	See Note 10	493,091
		<u>\$ 46,859,733</u>

* Indicates a party in interest.

USA Retirement Plan
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2012

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment	Current Value
* EB Investment Temporary Fund (401h)	Cash Equivalent	\$ 151,160
* Vanguard Total Bond Market Index (401h)	Registered Investment Company	46,215,482
* Investment in USA Defined Benefit Master Trust	See Note 10	493,091
		<u>\$ 46,859,733</u>

* Indicates a party in interest.