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

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
SAG HARBOR INDUSTRIES, INC 401K PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 04/01/1997

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

SAG HARBOR INDUSTRIES, INC

1668 SAG HARBOR TURNPIKE
SAG HARBOR, NY 11963

2b Employer Identification Number (EIN) 11-1867789

2c Sponsor's telephone number 631-725-0440

2d Business code (see instructions) 335900

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.	02/14/2014	JERLEAN HOPSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
SAG HARBOR INDUSTRIES, INC

1668 SAG HARBOR TURNPIKE
SAG HARBOR, NY 11963

3b Administrator's EIN
11-1867789

3c Administrator's telephone number
631-725-0440

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**	115
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**	103
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	16
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	119
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	119
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	79
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 Characteristic Codes in the instructions:
2E 2F 2G 2J 2K 3D 3H

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		**A** (Insurance Information)
(4)	X	**C** (Service Provider Information)
(5)	X	**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.**	**2011** **This Form is Open to Public Inspection.**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
SAG HARBOR INDUSTRIES, INC 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
SAG HARBOR INDUSTRIES, INC

D Employer Identification Number (EIN)
11-1867789

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

ALLIANCEBERNSTEIN L.P.

13-4064930

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

ALLIANZ GLOBAL INVESTORS DISTRIBUTO
1345 AVENUE OF THE AMERICAS
NEW YORK, NY 10105

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

AMERICAN CENTURY INVESTMENT SERVICE

44-0640487

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

BLACKROCK INVESTMENTS, INC.

23-2784752

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

COLUMBIA

ONE FINANCIAL CENTER
MA5-515-14-01
BOSTON, MA 02111

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

FRED ALGER & COMPANY, INCORPORATED

13-2510833

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

INVESCO DISTRIBUTORS, INC.

74-1894784

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

JANUS DISTRIBUTORS, LLC

151 DETROIT STREET
DENVER, CO 80206

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

OPPENHEIMER FUNDS INC.

13-2527171

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

WELLS FARGO FUNDS DISTRIBUTOR, LLC

525 MARKET STREET
12TH FLOOR
SAN FRANCISCO, CA 94105

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

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

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

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

MERRILL LYNCH PIERCE FENNER & SMITH

13-5674085

(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?
52 59 60 63	INVESTMENT ADVISOR	0	Yes [X] No [ ]	Yes [ ] No [X]	15658	Yes [ ] No [X]

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

ADP

22-1467904

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 50 64	RECORD KEEPER	669	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

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

ADP BROKER-DEALER

22-3319984

(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?
99 49	RECORD KEEPER	0	Yes [X] No [ ]	Yes [ ] No [X]	0	Yes [X] 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
MERRILL LYNCH PIERCE FENNER & SMITH	52 59 60 63	15658

(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.
UNAVAILABLE UNAVAILABLE UNAVAILABLE, CA 91367	INVESTMENT MANAGEMENT FEES PAID INDIRECTLY BY PLAN SHAREHOLDER SERVICING FEES SUB-TRANSFER AGENCY FEES DISTRIBUTION (12B-1) FEES

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
ADP BROKER-DEALER	99	0

(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.
ALLIANCEBERNSTEIN L.P. 13-4064930	ANNUAL RATE 0.00260 OF AVERAGE DAILY ASSETS-A SHRS ANNUAL RATE 0.00325 OF AVERAGE DAILY ASSETS-C SHRS ANNUAL RATE 0.00150 OF AVERAGE DAILY ASSETS-I SHRS ANNUAL RATE 0.00275 OF AVERAGE DAILY ASSETS-R SHRS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
ADP BROKER-DEALER	99	0

(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.
ALLIANZ GLOBAL INVESTORS DISTRIBUTO 1345 AVENUE OF THE AMERICAS NEW YORK, NY 10105	ANNUAL RATE 0.00260 OF AVERAGE DAILY ASSETS-A SHRS ANNUAL RATE 0.00325 OF AVERAGE DAILY ASSETS-C SHRS ANNUAL RATE 0.00150 OF AVERAGE DAILY ASSETS-I SHRS ANNUAL RATE 0.00275 OF AVERAGE DAILY ASSETS-R SHRS

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
ADP BROKER-DEALER	99	0

(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.
AMERICAN CENTURY INVESTMENT SERVICE 44-0640487	ANNUAL RATE 0.00260 OF AVERAGE DAILY ASSETS-A SHRS ANNUAL RATE 0.00325 OF AVERAGE DAILY ASSETS-C SHRS ANNUAL RATE 0.00150 OF AVERAGE DAILY ASSETS-I SHRS ANNUAL RATE 0.00275 OF AVERAGE DAILY ASSETS-R SHRS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
ADP BROKER-DEALER	99	0

(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.
BLACKROCK INVESTMENTS, INC. 23-2784752	ANNUAL RATE 0.00260 OF AVERAGE DAILY ASSETS-A SHRS ANNUAL RATE 0.00325 OF AVERAGE DAILY ASSETS-C SHRS ANNUAL RATE 0.00150 OF AVERAGE DAILY ASSETS-I SHRS ANNUAL RATE 0.00275 OF AVERAGE DAILY ASSETS-R SHRS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
ADP BROKER-DEALER	99	0

(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.
COLUMBIA ONE FINANCIAL CENTER MA5-515-14-01 BOSTON, MA 02111	ANNUAL RATE 0.00260 OF AVERAGE DAILY ASSETS-A SHRS ANNUAL RATE 0.00325 OF AVERAGE DAILY ASSETS-C SHRS ANNUAL RATE 0.00150 OF AVERAGE DAILY ASSETS-I SHRS ANNUAL RATE 0.00275 OF AVERAGE DAILY ASSETS-R SHRS

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
ADP BROKER-DEALER	99	0

(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.
FRED ALGER & COMPANY, INCORPORATED 13-2510833	ANNUAL RATE 0.00260 OF AVERAGE DAILY ASSETS-A SHRS ANNUAL RATE 0.00325 OF AVERAGE DAILY ASSETS-C SHRS ANNUAL RATE 0.00150 OF AVERAGE DAILY ASSETS-I SHRS ANNUAL RATE 0.00275 OF AVERAGE DAILY ASSETS-R SHRS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
ADP BROKER-DEALER	99	0

(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.
INVESCO DISTRIBUTORS, INC. 74-1894784	ANNUAL RATE 0.00260 OF AVERAGE DAILY ASSETS-A SHRS ANNUAL RATE 0.00325 OF AVERAGE DAILY ASSETS-C SHRS ANNUAL RATE 0.00150 OF AVERAGE DAILY ASSETS-I SHRS ANNUAL RATE 0.00275 OF AVERAGE DAILY ASSETS-R SHRS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
ADP BROKER-DEALER	99	0

(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.
JANUS DISTRIBUTORS, LLC 151 DETROIT STREET DENVER, CO 80206	ANNUAL RATE 0.00260 OF AVERAGE DAILY ASSETS-A SHRS ANNUAL RATE 0.00325 OF AVERAGE DAILY ASSETS-C SHRS ANNUAL RATE 0.00150 OF AVERAGE DAILY ASSETS-I SHRS ANNUAL RATE 0.00275 OF AVERAGE DAILY ASSETS-R SHRS

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
ADP BROKER-DEALER	99	0

(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.
OPPENHEIMER FUNDS INC. 13-2527171	ANNUAL RATE 0.00260 OF AVERAGE DAILY ASSETS-A SHRS ANNUAL RATE 0.00325 OF AVERAGE DAILY ASSETS-C SHRS ANNUAL RATE 0.00150 OF AVERAGE DAILY ASSETS-I SHRS ANNUAL RATE 0.00275 OF AVERAGE DAILY ASSETS-R SHRS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
ADP BROKER-DEALER	99	0

(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.
WELLS FARGO FUNDS DISTRIBUTOR, LLC 525 MARKET STREET 12TH FLOOR SAN FRANCISCO, CA 94105	ANNUAL RATE 0.00260 OF AVERAGE DAILY ASSETS-A SHRS ANNUAL RATE 0.00325 OF AVERAGE DAILY ASSETS-C SHRS ANNUAL RATE 0.00150 OF AVERAGE DAILY ASSETS-I SHRS ANNUAL RATE 0.00275 OF AVERAGE DAILY ASSETS-R SHRS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
SAG HARBOR INDUSTRIES, INC 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
SAG HARBOR INDUSTRIES, INC

D Employer Identification Number (EIN)
11-1867789

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

a Name of MTIA, CCT, PSA, or 103-12 IE: MERRILL RETIREMENT PRES TRUST

b Name of sponsor of entity listed in (a): MERRILL LYNCH RETIRE PRESRV TR

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)
22-6484011-001	C	0

a Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO STABLE RETURN FUND

b Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.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)
80-6183992-001	C	583303

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
SAG HARBOR INDUSTRIES, INC 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
SAG HARBOR INDUSTRIES, INC

D Employer Identification Number (EIN)
11-1867789

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)	327	421
(2) Participant contributions	1b(2)	2000	2828
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	53764	38234
(9) Value of interest in common/collective trusts	1c(9)	402132	583303
(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)	1523597	1385413
(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	1981820	2010199
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	1981820	2010199

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)	18326	
(B) Participants	2a(1)(B)	154696	
(C) Others (including rollovers)	2a(1)(C)	250	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		173272
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)	3012	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		3012
(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)	43884	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		43884
(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

			(a) Amount	(b) Total
2b	**(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
	(6) Net investment gain (loss) from common/collective trusts	2b(6)		7090
	(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)		-77639
c	Other income	2c		
d	Total income. Add all **income** amounts in column (b) and enter total	2d		149619
	Expenses			
e	Benefit payment and payments to provide benefits:			
	(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	120571	
	(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)		120571
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)	669	
	(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		669
j	Total expenses. Add all **expense** amounts in column (b) and enter total	2j		121240
	Net Income and Reconciliation			
k	Net income (loss). Subtract line **2j** from line **2d**	2k		28379
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: MARKOWITZ, FENELON & BANK LLP **(2)** EIN: 11-3452093

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 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 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	
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		225000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? **4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? **4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? **4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) **4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) **4j**		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? **4k**		X	
l	Has the plan failed to provide any benefit when due under the plan? **4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) **4m**		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. **4n**			

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

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

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

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

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
SAG HARBOR INDUSTRIES, INC 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
SAG HARBOR INDUSTRIES, INC

D Employer Identification Number (EIN)
11-1867789

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): 57-1198022

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 items 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 items 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 items 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 items 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 items 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 items 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 item 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 items (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 item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

SAG HARBOR INDUSTRIES, INC.
401k PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2011

SAG HARBOR INDUSTRIES, INC.
401k PLAN
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December 31, 2011

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Markowitz, Fenelon & Bank, LLP
Certified Public Accountants
Service you deserve. Advice you trust.

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Joseph R. Mammina, Jr., CPA

INDEPENDENT AUDITOR'S REPORT

To the Sag Harbor Industries, Inc. 401k Plan and Participants:

We were engaged to audit the financial statements of Sag Harbor Industries, Inc. 401k Plan as of December 31, 2011 and 2010, and for the year ended December 31, 2011, and the supplementary schedule as of and for the year ended December 31, 2011, as listed in the accompanying index. These financial statements and supplementary schedule are the responsibility of the Plan's management.

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 3, which was certified by Reliance Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplementary schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplementary schedule taken as a whole. The supplementary schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplementary 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.

Markowitz Fenelon + Bank LLP

MARKOWITZ, FENELON & BANK, LLP

Riverhead, New York
October 5, 2012

SAG HARBOR INDUSTRIES, INC. 401K PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2011 and 2010

	2011	2010
Assets:		
Participant directed investments, at fair value		
Interest in collective investment trust funds	$ 583,303	$ 402,132
Interest in mutual funds	1,385,413	1,523,597
Total investments, at fair value	1,968,716	1,925,729
Receivables		
Participants' contributions	2,828	2,000
Employer contributions	421	327
Notes receivable from participants	38,234	53,764
Total receivables	41,483	56,091
Total Assets	2,010,199	1,981,820
Net assets available for benefits	$ 2,010,199	$ 1,981,820

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

SAG HARBOR INDUSTRIES, INC. 401K PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Year Ended December 31, 2011

Additions to net assets attributed to:		
Contributions:		
Participant	$	154,696
Employer		18,326
Rollover		250
Total Contributions		173,272
Investment Income:		
Net realized and unrealized depreciation in fair value of investments		(70,549)
Dividends		43,884
Interest on participant loans		3,012
Total Investment Income (Loss)		(23,653)
Total Additions		149,619
Deductions from net assets attributed to:		
Benefits paid to participants		120,571
Administrative expenses		669
Total Deductions		121,240
Net increase		28,379
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year		1,981,820
End of year	$	2,010,199

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

1. PLAN DESCRIPTION

The following description of the Sag Harbor Industries, Inc. 401k Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering all full-time employees of Sag Harbor Industries, Inc. and its participating affiliate, Dortronics Systems, Inc., (collectively the "Company"), who have completed six months of service and are age 21 or older, as defined in the plan agreement. The Plan is subject to the provisions of the Employee Retirement Income Security Act ("ERISA").

Contributions

Each year, participants may contribute a minimum of 1 percent to a maximum of 80 percent of their pre-tax annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers one collective investment trust fund and one or more mutual funds as investment options for participants.

The Company has the discretion to contribute 25 percent of the first 5 percent of the Participants' compensation which is deferred by the participant. Matching contributions are determined each pay period. For the year ended December 31, 2011 the Company match totaled $18,326.

Each Plan year, the Company has the discretion to make a Qualified Nonelective Contribution ("QNEC") to the Plan if necessary to satisfy certain non-discrimination requirements. If made, the contribution is allocated among the participant accounts, as defined by the Plan. The Company made no QNEC contributions in connection with discrimination requirements for 2011.

All contributions are subject to certain limitations.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution, (b) Plan earnings, and (c) forfeitures of terminated participants' non-vested accounts, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are vested immediately in their voluntary contributions and any Company QNEC contributions, plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts and earnings thereon are based on periods of service, as defined. A participant is 100 percent vested after 5 years of credited service.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of $500 up to a maximum equal to the lesser of $50,000 or 50 percent of their account balance. The loans are secured by the vested balance in the participant's account and bear interest at rates that range from 5.25% to 9.25%, which are commensurate with local prevailing rates. Principal and interest is paid ratably through payroll deductions.

1. PLAN DESCRIPTION (continued)

Payment of Benefits

On termination of service due to death, disability, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in their account, or installments over a period of time not to exceed the maximum period permitted by IRS regulations. For termination of service for other reasons, a participant may receive the value of the vested interest in their account as a lump-sum distribution. In certain hardship situations, participants may withdraw part of their account balances while actively employed, but such withdrawals are limited, as defined in the Plan.

Forfeited Accounts

At December 31, 2011, forfeited non-vested accounts totaled approximately $20. These accounts will be used to reduce future Company contributions. During the year ended December 31, 2011, Company contributions were reduced by $2,056 from forfeited non-vested accounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared in conformity with accounting principles general accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Notes Receivable from Participants

Loans to participants are reported at their unpaid principal balances plus any accrued but unpaid interest. As of December 31, 2011 and 2010, the Plan had notes receivable from participants with principal balances totaling $38,234 and $53,764, respectively, which are included with receivables in the accompanying Statements of Net Assets Available for Benefits. Delinquent participant loans are reclassified as distributions per the terms in the Plan document.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

The Plan presents in the statement of changes in net assets available for benefits, the net appreciation (depreciation) in fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Payment of Benefits

Benefits are recorded when paid.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating Expenses

Certain administrative fees, such as nominal monthly account fees and loan maintenance fees are charged to the Plan's participants. The Company pays the Plan's audit fees.

Subsequent Events

The Plan has evaluated subsequent events through October 5, 2012, the date the financial statements were available to be issued.

3. INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The following information included in the accompanying financial statements and supplementary schedule was obtained from data that has been prepared and certified to as complete and accurate by the Trustee.

	2011	2010
Investments, at fair value:		
Collective Investment Trust Funds	$ 583,303	$ 402,132
Mutual Funds	$ 1,385,413	$ 1,523,597

4. INVESTMENTS – UNAUDITED INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The following presents investments that represent 5 percent or more of the Plan's net assets.

	2011	2010
Collective Investment Trust Funds:		
Merrill Lynch Retirement Preservation Trust 0 and 402,132 shares, respectively	$ 0	$ 402,132
Wells Fargo Stable Return Fund 5,736 and 0 shares, respectively	$ 583,303	$ 0
Mutual Funds:		
BlackRock S&P 500 Index Fund - Investor A Class 6,779 and 9,938 shares, respectively	$ 103,989	$ 152,539
Columbia Seligman Global Technology Fund - Class R * 3,156 and 5,653 shares, respectively	$ 60,026	$ 115,944
Janus Forty Fund – Class R * 3,145 and 3,321 shares, respectively	$ 95,035	$ 108,700
Blackrock US Govt Bond – Class R 18,172 and 0 shares, respectively	$ 196,078	$ 0
Alger Mid Cap Growth Institutional Fund - Class R 11,301 and 15,743 shares, respectively	$ 140,700	$ 213,636

* These investments were 5% or more of Plan net assets in 2010 but not in 2011.

4. INVESTMENTS – UNAUDITED INFORMATION PREPARED AND CERTIFIED BY TRUSTEE (continued)

During February of 2011, the Merrill Lynch Retirement Preservation Trust, a level 1 investment, ceased operations and liquidated all of its investments. All Trust units were redeemed and exchanged at the net asset value per unit of $1.00, which terminated the Trust. The funds were then transferred into the Wells Fargo Stable Return Fund, a level 2 investment.

For the year ended December 31, 2011, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by $70,549 as follows:

Mutual Funds	($ 77,639)
Common Collective Trust Funds	7,090
	($ 70,549)

5. FAIR VALUE MEASUREMENTS

FASB ASC 820, "Fair Value Measurements and Disclosures," provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the assets or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2010.

Common stocks, corporate bonds, and U.S. government securities:

Common stocks, corporate bonds, and U.S. government securities are valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds:

Mutual funds are valued at the net asset value (NAV) of shares held by the Plan at year end based on quoted market prices determined in an active market.

5. FAIR VALUE MEASUREMENTS (continued)

Common collective trust funds:

There are no readily available market quotations for these funds. The fund's fair value is based on securities in the portfolio which typically is the amount the fund might reasonably expect to receive for the security upon a sale. These funds are either valued on a daily or monthly basis.

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

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and December 31, 2010, respectively.

	Assets at Fair Values as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Mutual Funds				
Large Blend	$ 385,460	$ -	$ -	$ 385,460
Large Value	81,072			81,072
Large Growth	163,677			163,677
Mid Value	51,325			51,325
Mid Growth	174,063			174,063
Small Value	59,102			59,102
Small Growth	65,195			65,195
Multisector Bond	97,407			97,407
Intermediate Term Bond	72,706			72,706
High Yield Bond	39,328			39,328
Intermediate Government	196,078			196,078
Collective Investment Trust	-	583,303	-	583,303
Total Assets at Fair Value	$ 1,385,413	$ 583,303	$ -	$ 1,968,716

5. FAIR VALUE MEASUREMENTS (continued)

	Assets at Fair Values as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Mutual Funds				
Large Blend	$ 409,402	$ -	$ -	$ 409,402
Large Cap Core	94,282			94,282
Large Value	80,626			80,626
Large Growth	224,644			224,644
Mid Blend	136,572			136,572
Mid Growth	213,636			213,636
Small Value	63,670			63,670
Small Growth	66,952			66,952
Multisector Bond	79,808			79,808
Intermediate Term Bond	60,196			60,196
High Yield Bond	37,079			37,079
Intermediate Government	42,970			42,970
Health / Bio Technology	13,760			13,760
Collective Investment Trust	402,132	-	-	402,132
Total Assets at Fair Value	$ 1,925,729	$ -	$ -	$ 1,925,729

6. PARTY-IN INTEREST TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by Reliance Trust Company. Reliance Trust Company was the Trustee, during the 2011 plan year; therefore, these transactions qualify as party-in-interest transactions.

7. PLAN TERMINATION

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

8. TAX STATUS

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

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the applicable authorities. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain tax 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. There are currently no audits for any tax periods in progress as of the date of the financial statements. The Plan administrator believes it is no longer subject to income examinations for years prior to 2008.

9. RISKS AND UNCERTANTIES

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

SUPPLEMENTARY INFORMATION

SAG HARBOR INDUSTRIES, INC. 401K PLAN

Schedule H, line 4i - Schedule of Assets (Held at End of Year)
E.I.N. # 11-1867789
Plan # 001

December 31, 2011

(a)*	Identity of Issue, Borrower, Lessor or Similar Party (b)	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value (c)	Cost (d) **	Current Value (e)
	Wells Fargo Stable Return Fund	Collective Investment Trust Fund		$ 583,303
	BlackRock S&P 500 Index Fund - Investor A Class	Mutual Fund		$ 103,989
	Columbia Seligman Global Technology Fund - Class R	Mutual Fund		60,026
	Janus Forty Fund - Class R	Mutual Fund		95,035
	Perkins Small Cap Value Fund - Class R	Mutual Fund		59,102
	BlackRock Equity Dividend Fund - Class R	Mutual Fund		53,726
	Amercent Livestrg 2025 Port - Class R	Mutual Fund		66,931
	Blackrock Global Opport Port - Class R	Mutual Fund		82,033
	Amercent Livestrg 2015 Port - Class R	Mutual Fund		39,261
	BlackRock Small Cap Growth Fund II - Class R	Mutual Fund		65,195
	Amercent Livestrg 2035 Port - Class R	Mutual Fund		12,815
	Oppenheimer Global Strategic Income Fund - Class N	Mutual Fund		97,407
	Amercent Livestrg Inc Port - Class R	Mutual Fund		42,408
	BlackRock Conservative Prepared Portfolio - Class R	Mutual Fund		1,541
	Blackrock Health Sciences Opport - Class R	Mutual Fund		8,616
	Janus Overseas Fund - Class R	Mutual Fund		3,259
	American Cent Livestrong 2045 - Class R	Mutual Fund		7,827
	Invesco Real Estate Fund - Class R	Mutual Fund		33,363
	PIMCO High Yield Fund - Class R	Mutual Fund		39,328
	Perkins Mid Cap Value Fund - Class R	Mutual Fund		51,325
	Blackrock US Govt Bond - Class R	Mutual Fund		196,078
	Alger Mid Cap Growth Institutional Fund - Class R	Mutual Fund		140,700
	BlackRock Moderate Prepared Portfolio - Class R	Mutual Fund		28,655
	Alliance Bernstein International Value Fund - Class R	Mutual Fund		24,087
	PIMCO Total Return Fund - Class R	Mutual Fund		72,706
				$ 1,385,413
	Notes receivable from participants	5.25% - 9.25%	-	$ 38,234

* Column (a) is blank as there were no party-in-interest
** Column (d) is blank as all investments are participant directed

See independent auditor's report.

Schedule C, Line 2(h) Formula Description

For those service providers listed on Line 2 for which Line 2(h) has been checked "yes":

For a description of indirect compensation received by service providers listed on Line 2 that was disclosed as a formula, please see Line 3(e). Please note: If indirect compensation disclosed as a formula was received by a service provider from more than one source, there will be multiple Lines 3(e) for that service provider.

SAG HARBOR INDUSTRIES, INC.
401k PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2011

SAG HARBOR INDUSTRIES, INC.
401k PLAN
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Joseph R. Mammina, Jr., CPA

INDEPENDENT AUDITOR'S REPORT

To the Sag Harbor Industries, Inc. 401k Plan and Participants:

We were engaged to audit the financial statements of Sag Harbor Industries, Inc. 401k Plan as of December 31, 2011 and 2010, and for the year ended December 31, 2011, and the supplementary schedule as of and for the year ended December 31, 2011, as listed in the accompanying index. These financial statements and supplementary schedule are the responsibility of the Plan's management.

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 3, which was certified by Reliance Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplementary schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplementary schedule taken as a whole. The supplementary schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplementary 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.

Markowitz Fenelon + Bank LLP

MARKOWITZ, FENELON & BANK, LLP

Riverhead, New York
October 5, 2012

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Net increase		28,379
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All contributions are subject to certain limitations.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution, (b) Plan earnings, and (c) forfeitures of terminated participants' non-vested accounts, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

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1. PLAN DESCRIPTION (continued)

Payment of Benefits

On termination of service due to death, disability, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in their account, or installments over a period of time not to exceed the maximum period permitted by IRS regulations. For termination of service for other reasons, a participant may receive the value of the vested interest in their account as a lump-sum distribution. In certain hardship situations, participants may withdraw part of their account balances while actively employed, but such withdrawals are limited, as defined in the Plan.

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The Plan presents in the statement of changes in net assets available for benefits, the net appreciation (depreciation) in fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Payment of Benefits

Benefits are recorded when paid.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating Expenses

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	2011	2010
Investments, at fair value:		
Collective Investment Trust Funds	$ 583,303	$ 402,132
Mutual Funds	$ 1,385,413	$ 1,523,597

4. INVESTMENTS – UNAUDITED INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The following presents investments that represent 5 percent or more of the Plan's net assets.

	2011	2010
Collective Investment Trust Funds:		
Merrill Lynch Retirement Preservation Trust 0 and 402,132 shares, respectively	$ 0	$ 402,132
Wells Fargo Stable Return Fund 5,736 and 0 shares, respectively	$ 583,303	$ 0
Mutual Funds:		
BlackRock S&P 500 Index Fund - Investor A Class 6,779 and 9,938 shares, respectively	$ 103,989	$ 152,539
Columbia Seligman Global Technology Fund - Class R * 3,156 and 5,653 shares, respectively	$ 60,026	$ 115,944
Janus Forty Fund – Class R * 3,145 and 3,321 shares, respectively	$ 95,035	$ 108,700
Blackrock US Govt Bond – Class R 18,172 and 0 shares, respectively	$ 196,078	$ 0
Alger Mid Cap Growth Institutional Fund - Class R 11,301 and 15,743 shares, respectively	$ 140,700	$ 213,636

* These investments were 5% or more of Plan net assets in 2010 but not in 2011.

4. INVESTMENTS – UNAUDITED INFORMATION PREPARED AND CERTIFIED BY TRUSTEE (continued)

During February of 2011, the Merrill Lynch Retirement Preservation Trust, a level 1 investment, ceased operations and liquidated all of its investments. All Trust units were redeemed and exchanged at the net asset value per unit of $1.00, which terminated the Trust. The funds were then transferred into the Wells Fargo Stable Return Fund, a level 2 investment.

For the year ended December 31, 2011, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by $70,549 as follows:

Mutual Funds	($ 77,639)
Common Collective Trust Funds	7,090
	($ 70,549)

5. FAIR VALUE MEASUREMENTS

FASB ASC 820, "Fair Value Measurements and Disclosures," provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the assets or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2010.

Common stocks, corporate bonds, and U.S. government securities:

Common stocks, corporate bonds, and U.S. government securities are valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds:

Mutual funds are valued at the net asset value (NAV) of shares held by the Plan at year end based on quoted market prices determined in an active market.

5. FAIR VALUE MEASUREMENTS (continued)

Common collective trust funds:

There are no readily available market quotations for these funds. The fund's fair value is based on securities in the portfolio which typically is the amount the fund might reasonably expect to receive for the security upon a sale. These funds are either valued on a daily or monthly basis.

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

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and December 31, 2010, respectively.

	Assets at Fair Values as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Mutual Funds				
Large Blend	$ 385,460	$ -	$ -	$ 385,460
Large Value	81,072			81,072
Large Growth	163,677			163,677
Mid Value	51,325			51,325
Mid Growth	174,063			174,063
Small Value	59,102			59,102
Small Growth	65,195			65,195
Multisector Bond	97,407			97,407
Intermediate Term Bond	72,706			72,706
High Yield Bond	39,328			39,328
Intermediate Government	196,078			196,078
Collective Investment Trust	-	583,303	-	583,303
Total Assets at Fair Value	$ 1,385,413	$ 583,303	$ -	$ 1,968,716

5. FAIR VALUE MEASUREMENTS (continued)

	Assets at Fair Values as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Mutual Funds				
Large Blend	$ 409,402	$ -	$ -	$ 409,402
Large Cap Core	94,282			94,282
Large Value	80,626			80,626
Large Growth	224,644			224,644
Mid Blend	136,572			136,572
Mid Growth	213,636			213,636
Small Value	63,670			63,670
Small Growth	66,952			66,952
Multisector Bond	79,808			79,808
Intermediate Term Bond	60,196			60,196
High Yield Bond	37,079			37,079
Intermediate Government	42,970			42,970
Health / Bio Technology	13,760			13,760
Collective Investment Trust	402,132	-	-	402,132
Total Assets at Fair Value	$ 1,925,729	$ -	$ -	$ 1,925,729

6. PARTY-IN INTEREST TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by Reliance Trust Company. Reliance Trust Company was the Trustee, during the 2011 plan year; therefore, these transactions qualify as party-in-interest transactions.

7. PLAN TERMINATION

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

8. TAX STATUS

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

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the applicable authorities. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain tax 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. There are currently no audits for any tax periods in progress as of the date of the financial statements. The Plan administrator believes it is no longer subject to income examinations for years prior to 2008.

9. RISKS AND UNCERTANTIES

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

SUPPLEMENTARY INFORMATION

SAG HARBOR INDUSTRIES, INC. 401K PLAN

Schedule H, line 4i - Schedule of Assets (Held at End of Year)
E.I.N. # 11-1867789
Plan # 001

December 31, 2011

(a)*	Identity of Issue, Borrower, Lessor or Similar Party (b)	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value (c)	Cost (d) **	Current Value (e)
	Wells Fargo Stable Return Fund	Collective Investment Trust Fund		$ 583,303
	BlackRock S&P 500 Index Fund - Investor A Class	Mutual Fund		$ 103,989
	Columbia Seligman Global Technology Fund - Class R	Mutual Fund		60,026
	Janus Forty Fund - Class R	Mutual Fund		95,035
	Perkins Small Cap Value Fund - Class R	Mutual Fund		59,102
	BlackRock Equity Dividend Fund - Class R	Mutual Fund		53,726
	Amercent Livestrg 2025 Port - Class R	Mutual Fund		66,931
	Blackrock Global Opport Port - Class R	Mutual Fund		82,033
	Amercent Livestrg 2015 Port - Class R	Mutual Fund		39,261
	BlackRock Small Cap Growth Fund II - Class R	Mutual Fund		65,195
	Amercent Livestrg 2035 Port - Class R	Mutual Fund		12,815
	Oppenheimer Global Strategic Income Fund - Class N	Mutual Fund		97,407
	Amercent Livestrg Inc Port - Class R	Mutual Fund		42,408
	BlackRock Conservative Prepared Portfolio - Class R	Mutual Fund		1,541
	Blackrock Health Sciences Opport - Class R	Mutual Fund		8,616
	Janus Overseas Fund - Class R	Mutual Fund		3,259
	American Cent Livestrong 2045 - Class R	Mutual Fund		7,827
	Invesco Real Estate Fund - Class R	Mutual Fund		33,363
	PIMCO High Yield Fund - Class R	Mutual Fund		39,328
	Perkins Mid Cap Value Fund - Class R	Mutual Fund		51,325
	Blackrock US Govt Bond - Class R	Mutual Fund		196,078
	Alger Mid Cap Growth Institutional Fund - Class R	Mutual Fund		140,700
	BlackRock Moderate Prepared Portfolio - Class R	Mutual Fund		28,655
	Alliance Bernstein International Value Fund - Class R	Mutual Fund		24,087
	PIMCO Total Return Fund - Class R	Mutual Fund		72,706
				$ 1,385,413
	Notes receivable from participants	5.25% - 9.25%	-	$ 38,234

* Column (a) is blank as there were no party-in-interest
** Column (d) is blank as all investments are participant directed

See independent auditor's report.

SAG HARBOR INDUSTRIES, INC.
401k PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2011

SAG HARBOR INDUSTRIES, INC.
401k PLAN
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INDEPENDENT AUDITOR'S REPORT

To the Sag Harbor Industries, Inc. 401k Plan and Participants:

We were engaged to audit the financial statements of Sag Harbor Industries, Inc. 401k Plan as of December 31, 2011 and 2010, and for the year ended December 31, 2011, and the supplementary schedule as of and for the year ended December 31, 2011, as listed in the accompanying index. These financial statements and supplementary schedule are the responsibility of the Plan's management.

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 3, which was certified by Reliance Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplementary schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2011 and 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplementary schedule taken as a whole. The supplementary schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplementary 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.

Markowitz Fenelon + Bank LLP

MARKOWITZ, FENELON & BANK, LLP

Riverhead, New York
October 5, 2012

SAG HARBOR INDUSTRIES, INC. 401K PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2011 and 2010

	2011	2010
Assets:		
Participant directed investments, at fair value		
Interest in collective investment trust funds	$ 583,303	$ 402,132
Interest in mutual funds	1,385,413	1,523,597
Total investments, at fair value	1,968,716	1,925,729
Receivables		
Participants' contributions	2,828	2,000
Employer contributions	421	327
Notes receivable from participants	38,234	53,764
Total receivables	41,483	56,091
Total Assets	2,010,199	1,981,820
Net assets available for benefits	$ 2,010,199	$ 1,981,820

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

SAG HARBOR INDUSTRIES, INC. 401K PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Year Ended December 31, 2011

Additions to net assets attributed to:		
Contributions:		
Participant	$	154,696
Employer		18,326
Rollover		250
Total Contributions		173,272
Investment Income:		
Net realized and unrealized depreciation in fair value of investments		(70,549)
Dividends		43,884
Interest on participant loans		3,012
Total Investment Income (Loss)		(23,653)
Total Additions		149,619
Deductions from net assets attributed to:		
Benefits paid to participants		120,571
Administrative expenses		669
Total Deductions		121,240
Net increase		28,379
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year		1,981,820
End of year	$	2,010,199

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

1. PLAN DESCRIPTION

The following description of the Sag Harbor Industries, Inc. 401k Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering all full-time employees of Sag Harbor Industries, Inc. and its participating affiliate, Dortronics Systems, Inc., (collectively the "Company"), who have completed six months of service and are age 21 or older, as defined in the plan agreement. The Plan is subject to the provisions of the Employee Retirement Income Security Act ("ERISA").

Contributions

Each year, participants may contribute a minimum of 1 percent to a maximum of 80 percent of their pre-tax annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers one collective investment trust fund and one or more mutual funds as investment options for participants.

The Company has the discretion to contribute 25 percent of the first 5 percent of the Participants' compensation which is deferred by the participant. Matching contributions are determined each pay period. For the year ended December 31, 2011 the Company match totaled $18,326.

Each Plan year, the Company has the discretion to make a Qualified Nonelective Contribution ("QNEC") to the Plan if necessary to satisfy certain non-discrimination requirements. If made, the contribution is allocated among the participant accounts, as defined by the Plan. The Company made no QNEC contributions in connection with discrimination requirements for 2011.

All contributions are subject to certain limitations.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution, (b) Plan earnings, and (c) forfeitures of terminated participants' non-vested accounts, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are vested immediately in their voluntary contributions and any Company QNEC contributions, plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts and earnings thereon are based on periods of service, as defined. A participant is 100 percent vested after 5 years of credited service.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of $500 up to a maximum equal to the lesser of $50,000 or 50 percent of their account balance. The loans are secured by the vested balance in the participant's account and bear interest at rates that range from 5.25% to 9.25%, which are commensurate with local prevailing rates. Principal and interest is paid ratably through payroll deductions.

1. PLAN DESCRIPTION (continued)

Payment of Benefits

On termination of service due to death, disability, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in their account, or installments over a period of time not to exceed the maximum period permitted by IRS regulations. For termination of service for other reasons, a participant may receive the value of the vested interest in their account as a lump-sum distribution. In certain hardship situations, participants may withdraw part of their account balances while actively employed, but such withdrawals are limited, as defined in the Plan.

Forfeited Accounts

At December 31, 2011, forfeited non-vested accounts totaled approximately $20. These accounts will be used to reduce future Company contributions. During the year ended December 31, 2011, Company contributions were reduced by $2,056 from forfeited non-vested accounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared in conformity with accounting principles general accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Notes Receivable from Participants

Loans to participants are reported at their unpaid principal balances plus any accrued but unpaid interest. As of December 31, 2011 and 2010, the Plan had notes receivable from participants with principal balances totaling $38,234 and $53,764, respectively, which are included with receivables in the accompanying Statements of Net Assets Available for Benefits. Delinquent participant loans are reclassified as distributions per the terms in the Plan document.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

The Plan presents in the statement of changes in net assets available for benefits, the net appreciation (depreciation) in fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Payment of Benefits

Benefits are recorded when paid.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating Expenses

Certain administrative fees, such as nominal monthly account fees and loan maintenance fees are charged to the Plan's participants. The Company pays the Plan's audit fees.

Subsequent Events

The Plan has evaluated subsequent events through October 5, 2012, the date the financial statements were available to be issued.

3. INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The following information included in the accompanying financial statements and supplementary schedule was obtained from data that has been prepared and certified to as complete and accurate by the Trustee.

	2011	2010
Investments, at fair value:		
Collective Investment Trust Funds	$ 583,303	$ 402,132
Mutual Funds	$ 1,385,413	$ 1,523,597

4. INVESTMENTS – UNAUDITED INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The following presents investments that represent 5 percent or more of the Plan's net assets.

	2011	2010
Collective Investment Trust Funds:		
Merrill Lynch Retirement Preservation Trust 0 and 402,132 shares, respectively	$ 0	$ 402,132
Wells Fargo Stable Return Fund 5,736 and 0 shares, respectively	$ 583,303	$ 0
Mutual Funds:		
BlackRock S&P 500 Index Fund - Investor A Class 6,779 and 9,938 shares, respectively	$ 103,989	$ 152,539
Columbia Seligman Global Technology Fund - Class R * 3,156 and 5,653 shares, respectively	$ 60,026	$ 115,944
Janus Forty Fund – Class R * 3,145 and 3,321 shares, respectively	$ 95,035	$ 108,700
Blackrock US Govt Bond – Class R 18,172 and 0 shares, respectively	$ 196,078	$ 0
Alger Mid Cap Growth Institutional Fund - Class R 11,301 and 15,743 shares, respectively	$ 140,700	$ 213,636

* These investments were 5% or more of Plan net assets in 2010 but not in 2011.

4. INVESTMENTS – UNAUDITED INFORMATION PREPARED AND CERTIFIED BY TRUSTEE (continued)

During February of 2011, the Merrill Lynch Retirement Preservation Trust, a level 1 investment, ceased operations and liquidated all of its investments. All Trust units were redeemed and exchanged at the net asset value per unit of $1.00, which terminated the Trust. The funds were then transferred into the Wells Fargo Stable Return Fund, a level 2 investment.

For the year ended December 31, 2011, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by $70,549 as follows:

Mutual Funds	($ 77,639)
Common Collective Trust Funds	7,090
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5. FAIR VALUE MEASUREMENTS

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5. FAIR VALUE MEASUREMENTS (continued)

Common collective trust funds:

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Collective Investment Trust	-	583,303	-	583,303
Total Assets at Fair Value	$ 1,385,413	$ 583,303	$ -	$ 1,968,716

5. FAIR VALUE MEASUREMENTS (continued)

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Intermediate Government	42,970			42,970
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Collective Investment Trust	402,132	-	-	402,132
Total Assets at Fair Value	$ 1,925,729	$ -	$ -	$ 1,925,729

6. PARTY-IN INTEREST TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by Reliance Trust Company. Reliance Trust Company was the Trustee, during the 2011 plan year; therefore, these transactions qualify as party-in-interest transactions.

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E.I.N. # 11-1867789
Plan # 001

December 31, 2011

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	Janus Forty Fund - Class R	Mutual Fund		95,035
	Perkins Small Cap Value Fund - Class R	Mutual Fund		59,102
	BlackRock Equity Dividend Fund - Class R	Mutual Fund		53,726
	Amercent Livestrg 2025 Port - Class R	Mutual Fund		66,931
	Blackrock Global Opport Port - Class R	Mutual Fund		82,033
	Amercent Livestrg 2015 Port - Class R	Mutual Fund		39,261
	BlackRock Small Cap Growth Fund II - Class R	Mutual Fund		65,195
	Amercent Livestrg 2035 Port - Class R	Mutual Fund		12,815
	Oppenheimer Global Strategic Income Fund - Class N	Mutual Fund		97,407
	Amercent Livestrg Inc Port - Class R	Mutual Fund		42,408
	BlackRock Conservative Prepared Portfolio - Class R	Mutual Fund		1,541
	Blackrock Health Sciences Opport - Class R	Mutual Fund		8,616
	Janus Overseas Fund - Class R	Mutual Fund		3,259
	American Cent Livestrong 2045 - Class R	Mutual Fund		7,827
	Invesco Real Estate Fund - Class R	Mutual Fund		33,363
	PIMCO High Yield Fund - Class R	Mutual Fund		39,328
	Perkins Mid Cap Value Fund - Class R	Mutual Fund		51,325
	Blackrock US Govt Bond - Class R	Mutual Fund		196,078
	Alger Mid Cap Growth Institutional Fund - Class R	Mutual Fund		140,700
	BlackRock Moderate Prepared Portfolio - Class R	Mutual Fund		28,655
	Alliance Bernstein International Value Fund - Class R	Mutual Fund		24,087
	PIMCO Total Return Fund - Class R	Mutual Fund		72,706
				$ 1,385,413
	Notes receivable from participants	5.25% - 9.25%	-	$ 38,234

* Column (a) is blank as there were no party-in-interest
** Column (d) is blank as all investments are participant directed

See independent auditor's report.

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name SAG HARBOR INDUSTRIES, INC 401K PLAN **EIN:** 11-1867789
Plan Sponsor's Name SAG HARBOR INDUSTRIES, INC **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	BLACKROCK S & P 500 - A	REGISTERED INVESTMENT COMPANY		103,989
	COLUMBIA SELIGMAN GLBL TECH R	REGISTERED INVESTMENT COMPANY		60,026
	JANUS FORTY FUND - R	REGISTERED INVESTMENT COMPANY		95,035
	PERKINS SMALL CAP VALUE FD - R	REGISTERED INVESTMENT COMPANY		59,102
	BLACKROCK EQUITY DIVIDEND - R	REGISTERED INVESTMENT COMPANY		53,726
	AMERCENT LIVESTRG 2025PORT - R	REGISTERED INVESTMENT COMPANY		66,931
	BLACKROCK GLOBAL OPPORT PORT R	REGISTERED INVESTMENT COMPANY		82,034

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Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name SAG HARBOR INDUSTRIES, INC 401K PLAN **EIN:** 11-1867789
Plan Sponsor's Name SAG HARBOR INDUSTRIES, INC **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	AMERCENT LIVESTRG 2015PORT - R	REGISTERED INVESTMENT COMPANY		39,261
	BLACKROCK SM CAP GRTH II - R	REGISTERED INVESTMENT COMPANY		65,195
	AMERCENT LIVESTRG 2035PORT - R	REGISTERED INVESTMENT COMPANY		12,815
	OPPENHEIMER GLBL STRAT INC N	REGISTERED INVESTMENT COMPANY		97,407
	AMERCENT LIVESTRG INC PORT - R	REGISTERED INVESTMENT COMPANY		42,408
	BLACKROCK CONSERV PREP - R	REGISTERED INVESTMENT COMPANY		1,541
	BLK HEALTH SCI OPPORT PORT R	REGISTERED INVESTMENT COMPANY		8,616

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name SAG HARBOR INDUSTRIES, INC 401K PLAN **EIN:** 11-1867789
Plan Sponsor's Name SAG HARBOR INDUSTRIES, INC **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	JANUS OVERSEAS FUND - R	REGISTERED INVESTMENT COMPANY		3,259
	AMERICAN CENT LIVESTRONG 2045R	REGISTERED INVESTMENT COMPANY		7,827
	INVESCO REAL ESTATE - R	REGISTERED INVESTMENT COMPANY		33,363
	PIMCO HIGH YIELD FUND - R	REGISTERED INVESTMENT COMPANY		39,328
	PERKINS MID CAP VALUE FD - R	REGISTERED INVESTMENT COMPANY		51,325
	BLACKROCK US GOVT BOND R	REGISTERED INVESTMENT COMPANY		196,078
	ALGER MID CAP GROWTH INSTL - R	REGISTERED INVESTMENT COMPANY		140,700

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name SAG HARBOR INDUSTRIES, INC 401K PLAN **EIN:** 11-1867789

Plan Sponsor's Name SAG HARBOR INDUSTRIES, INC **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	BLACKROCK MOD PREPARED PORT -R	REGISTERED INVESTMENT COMPANY		28,655
	ALLIANCEBER INTL VALUE FD -R	REGISTERED INVESTMENT COMPANY		24,087
	PIMCO TOTAL RETURN FUND - R	REGISTERED INVESTMENT COMPANY		72,706
	PARTICIPANT LOANS	INTEREST RATES (5.25% TO 9.25%)		38,234
	WELLS FARGO STABLE RETURN FUND	COMMON/COLLECTIVE TRUST		583,303