

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2013 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>10/02/2013</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☒ the final return/report; ☐ an amended return/report; ☒ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>CHANDLER MAY, INC. 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>03/01/2006</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>03/01/2006</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>03/01/2006</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>CHANDLER MAY, INC.</u> <u>133 WEST PARK LOOP</u> <u>HUNTSVILLE, AL 35806</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>20-3753931</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>256-319-7229</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>336410</u></td> </tr> <tr> <td style="height: 40px;"></td> </tr> </table>	2b Employer Identification Number (EIN) <u>20-3753931</u>	2c Sponsor's telephone number <u>256-319-7229</u>	2d Business code (see instructions) <u>336410</u>	
2b Employer Identification Number (EIN) <u>20-3753931</u>					
2c Sponsor's telephone number <u>256-319-7229</u>					
2d Business code (see instructions) <u>336410</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	08/14/2014	MARIA F. HOWELL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address CHANDLER MAY, INC. 133 WEST PARK LOOP HUNTSVILLE, AL 35806		3b Administrator's EIN 20-3753931
		3c Administrator's telephone number 256-319-7229
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	195
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	
b Retired or separated participants receiving benefits	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	0
d Subtotal. Add lines 6a , 6b , and 6c	6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e	0
f Total. Add lines 6d and 6e	6f	0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g	0
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2F 3D 2T 2E 2G 2J 2K		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 10/02/2013

A Name of plan CHANDLER MAY, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 CHANDLER MAY, INC.	D Employer Identification Number (EIN) 20-3753931

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier

PRUDENTIAL RETIREMENT INSURANCE & ANNUITY CO.

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	39644	0	01/01/2013	10/02/2013

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

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	11402

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

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

NFP INSURANCE SERVICES INC
1250 CAPITAL OF TEXAS HIGHWAY SOUTH
BUILDING 2 SUITE 125
AUSTIN, TX 78746-0000

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
	11402	SERVICES TO INSURER OR PLAN	4

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

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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule A (Form 5500) 2013
v. 130118

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

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

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

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

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ☐**7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ **GUARANTEED GENERAL ACCOUNT CONTRACT**

b Balance at the end of the previous year	7b	668497
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c Additions: (1) Contributions deposited during the year	7c(1)	90361	
(2) Dividends and credits	7c(2)		
(3) Interest credited during the year	7c(3)	5199	
(4) Transferred from separate account	7c(4)	39819	
(5) Other (specify below)	7c(5)	1678	
▶ LOAN REPAYMENTS			

(6) Total additions	7c(6)	137057
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d Total of balance and additions (add lines 7b and 7c(6))	7d	805554
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	800874	
(2) Administration charge made by carrier	7e(2)	27	
(3) Transferred to separate account	7e(3)	1681	
(4) Other (specify below)	7e(4)	2972	

▶ **LOAN INITIATIONS MISCELLANEOUS OUT FORFEITURE DEBITS**

(5) Total deductions	7e(5)	805554
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f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	0
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Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

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

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.....	10b	

Specify nature of costs ▶

Part IV Provision of Information

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

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

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider 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
		2013
		This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 10/02/2013

A Name of plan <u>CHANDLER MAY, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CHANDLER MAY, INC.</u>	D Employer Identification Number (EIN) <u>20-3753931</u>

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

06-1050034

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

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(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)

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 15 37 50 64	NONE	2050	Yes ☒ No ☐	Yes ☒ No ☐	0	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 ☐

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
PRUDENTIAL RETIREMENT INSURANCE AND	15 64	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.	
PRUDENTIAL RETIREMENT INSURANCE AND 06-1050034	100,000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2013 TO 12/31/2013 GUARANTEED INCOME FUND	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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 2013 This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 10/02/2013

A Name of plan <u>CHANDLER MAY, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>CHANDLER MAY, INC.</u>	D Employer Identification Number (EIN) <u>20-3753931</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LARGE CAP GROW/JP MORGAN</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>				
c EIN-PN <u>06-1050034-141</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LGE CP VAL/LSV ASSET MGMT</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>				
c EIN-PN <u>06-1050034-318</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>CORE PLUS BOND/PIMCO</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>				
c EIN-PN <u>06-1050034-299</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>HI YIELD/CAYWOOD-SCHOLL</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>				
c EIN-PN <u>06-1050034-300</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SM CAP GROWTH/BOSTONCO</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>				
c EIN-PN <u>06-1050034-319</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SMALL CAP BLEND/WHV FUND</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>				
c EIN-PN <u>06-1050034-254</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MID CAP GR/TIMESSQUARE FD</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>				
c EIN-PN <u>06-1050034-186</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>		

a Name of MTIA, CCT, PSA, or 103-12 IE: [SMALL CAP VALUE/INTEGRITY](#)

b Name of sponsor of entity listed in (a): [PRUDENTIAL RETIREMENT INS.](#)

c EIN-PN 06-1050034-439	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: [MID CAP VALUE/CRM FUND](#)

b Name of sponsor of entity listed in (a): [PRUDENTIAL RETIREMENT INS.](#)

c EIN-PN 06-1050034-440	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: [SA/OFII GLOBAL STRATEGY](#)

b Name of sponsor of entity listed in (a): [PRUDENTIAL RETIREMENT INS.](#)

c EIN-PN 06-1050034-308	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: [WAD & REED ADV SCI & TECH](#)

b Name of sponsor of entity listed in (a): [PRUDENTIAL RETIREMENT INS.](#)

c EIN-PN 06-1050034-394	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: [BAL/WELLING MGMT PIM FD](#)

b Name of sponsor of entity listed in (a): [PRUDENTIAL RETIREMENT INS.](#)

c EIN-PN 06-1050034-296	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: [DRYDEN S & P 500 INDEX FUND](#)

b Name of sponsor of entity listed in (a): [PRUDENTIAL RETIREMENT INS.](#)

c EIN-PN 06-1050034-123	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: [LARGE CAP BLEND/MFS](#)

b Name of sponsor of entity listed in (a): [PRUDENTIAL RETIREMENT INS.](#)

c EIN-PN 06-1050034-177	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: [INTERNATIONAL BLEND/AQR](#)

b Name of sponsor of entity listed in (a): [PRUDENTIAL RETIREMENT INS.](#)

c EIN-PN 06-1050034-125	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: [QMA MID CP QUANT COR EQ](#)

b Name of sponsor of entity listed in (a): [PRUDENTIAL RETIREMENT INS.](#)

c EIN-PN 06-1050034-538	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
--	--	---

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

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

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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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
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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 2013 This Form is Open to Public Inspection
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>10/02/2013</u>		
A Name of plan <u>CHANDLER MAY, INC. 401(K) PLAN</u>		B Three-digit plan number (PN) <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CHANDLER MAY, INC.</u>		D Employer Identification Number (EIN) <u>20-3753931</u>

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(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)	48007	0
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)	2905253	0
(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)	88509	0
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	668497	0
(15) Other.....	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	3710266	0

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	3710266	0
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	236371	
(B) Participants	2a(1)(B)	386915	
(C) Others (including rollovers)	2a(1)(C)	602312	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1225598
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)	1194	
(F) Other	2b(1)(F)	5199	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		6393
(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)	1172	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1172
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	589433	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		589433

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-2819
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		1819777

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	606955	
(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)		606955
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)	2124	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		2124
j Total expenses. Add all expense amounts in column (b) and enter total	2j		609079

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1210698
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		4920964

Part III Accountant's Opinion

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

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

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

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

(1) Name: ANGLIN REICHMANN SNELGROVE & ARMST

(2) EIN: 63-1262841

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

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

Part IV Compliance Questions

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

During the plan year:

- a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)
- b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

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

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☒ Yes ☐ No Amount: 0

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

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
LOCKHEED MARTIN CORPORATION SALARIED SAVINGS PLAN	52-1893632	017

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 10/02/2013

A Name of plan <u>CHANDLER MAY, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CHANDLER MAY, INC.</u>	D Employer Identification Number (EIN) <u>20-3753931</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>22-1211670</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a		
b Enter the amount contributed by the employer to the plan for this plan year.....	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?.....	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

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

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

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

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

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

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

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

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

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

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

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

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

CHANDLER MAY, INC. 401(K) PLAN
FINANCIAL STATEMENTS
OCTOBER 2, 2013 AND DECEMBER 31, 2012

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator of the
Chandler May, Inc. 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Chandler May, Inc. 401(k) Plan, which comprise the statements of net assets available for benefits as of October 2, 2013 and December 31, 2012, and the related statement of changes in net assets available for benefits for the period January 1, 2013 through October 2, 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Notes 4, and 6, which was certified by Prudential Bank & Trust, FSB, the Trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee as of October 2, 2013 and December 31, 2012, and for the period January 1, 2013 through October 2, 2013, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

Disclaimer of Opinion

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

Plan Merger

As discussed in Note 9 to the financial statements, the Plan merged into another company's plan effective October 2, 2013. Our opinion is not modified with respect to that matter.

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

The form and content of the information included in the financial statements, 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.

Sincerely,

A handwritten signature in cursive script that reads "Anglin Reichmann Snellgrove & Armstrong P.C.".

CERTIFIED PUBLIC ACCOUNTANTS

July 29, 2014

CHANDLER MAY, INC. 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF OCTOBER 2, 2013 AND DECEMBER 31, 2012

ASSETS		
	<u>2013</u>	<u>2012</u>
Participant-directed investments, at fair value:		
Guaranteed annuity contract	\$ -	\$ 668,497
Pooled separate accounts	-	2,905,253
Shares of registered investment companies	-	88,509
Total Investments, at Fair Value	<u>-</u>	<u>3,662,259</u>
Receivables:		
Employer contributions	-	267,229
Participant contributions	-	9,573
Notes receivable from participants	-	48,007
Total Receivables	<u>-</u>	<u>324,809</u>
Total Assets	<u>-</u>	<u>3,987,068</u>
LIABILITIES		
Total Liabilities	<u>-</u>	<u>-</u>
Net Assets Available for Benefits, at Fair Value	-	3,987,068
Adjustment from fair value to contract value for fully benefit-responsive annuity contracts	-	-
Net Assets Available for Benefits	<u>\$ -</u>	<u>\$ 3,987,068</u>

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

CHANDLER MAY, INC. 401(K) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE PERIOD JANUARY 1, 2013 THROUGH OCTOBER 2, 2013

Additions to Net Assets Attributed to:

Investment income:	
Net appreciation in value of investments	\$ 586,615
Dividends	1,171
Interest on guaranteed annuity contract	<u>5,199</u>
Total Investment Income	<u>592,985</u>
Interest income on notes receivable from participants	<u>1,194</u>
Participant-directed contributions:	
Employer	9,171
Forfeitures applied	(40,029)
Participant salary deferrals	377,342
Participant rollovers	<u>602,312</u>
Total Contributions	<u>948,796</u>
Total Additions to Net Assets	<u>1,542,975</u>

Deductions from Net Assets Attributed to:

Benefits paid to participants	606,955
Administrative expenses	<u>2,124</u>
Total Deductions from Net Assets	<u>609,079</u>
Net Increase in Net Assets	933,896
Transfer of Plan assets due to merger	4,920,964

Net Assets Available for Benefits:

Beginning of Year	<u>3,987,068</u>
End of Year	<u><u>\$ -</u></u>

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

**CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
OCTOBER 2, 2013 AND DECEMBER 31, 2012**

Note 1 - Description of Plan

The following description of the Chandler May, Inc. 401(k) 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 substantially all employees of Chandler May, Inc. and its majority-owned subsidiary, AME Unmanned Air Systems (collectively referred to as the Company). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The trustee is responsible for oversight of the Plan.

Merger

In 2012, the Company was acquired by Lockheed Martin. On March 1, 2013, the Board of Directors of the Company approved the merger of this Plan into the Lockheed Martin Corporation Salaried Savings Plan, effective October 2, 2013. As a result of this merger, all investments were transferred from the Plan into the acquiring plan on that date. See Note 9.

Eligibility

Participation in the Plan is available to all eligible employees of the Company who have attained 21 years of age, excluding nonresident aliens, union employees, and independent contractors.

Contributions

Participant Salary Deferral - Each year, participants may contribute up to 75% of pretax annual compensation, as defined by the Plan, up to maximum amounts established by the Internal Revenue Service (IRS). Participants 50 years old or older during the Plan year are eligible for catch-up contributions, up to maximum amounts established by the IRS. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover).

Employer Discretionary Match - Each year, the Company, at the discretion of the Company's Board of Directors, may make discretionary matching contributions. For the period January 1, 2013 through October 2, 2013, the Company made matching contributions equal to 50% of the participants' elective deferrals up to 6% of the participants' eligible compensation.

Employer Profit Sharing - The Company may also elect to make a discretionary profit sharing contribution based on eligible compensation. No discretionary profit sharing contribution was made during the period January 1, 2013 through October 2, 2013.

Investment Options

Participants direct the investment of their contributions, as well as Company contributions into various investment options offered by the Plan. As of October 2, 2013, the Plan held no investments. See Note 9. As of December 31, 2012, the Plan offered a fully benefit-responsive guaranteed annuity contract, pooled separate accounts, and registered investment companies which invest in various combinations of stocks, bonds, and other investment securities.

Vesting

Participants are vested immediately in their voluntary contributions plus actual earnings thereon. Vesting in the Company's contribution portion of participants' accounts is based on years of continuous service. A participant is 100% vested after six years of creditable service.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 1 - Description of Plan - Continued

Participant Accounts

Each participant's account is credited with the participant's contributions and an allocation of the Company's contributions and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

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% of their account balance. The loans are secured by the balance in the participant's account and bear interest at rates ranging from 3.25% to 5.00%, which are commensurate with local prevailing rates as determined by the Plan Administrator. A loan is considered in default if either (i) a participant fails to make or cause to be made, any payment required under the terms of the loan within 90 days following the date on which such payment shall become due, or (ii) there is an outstanding principal balance existing on a loan after the last scheduled repayment date. Principal and interest are paid ratably through bi-weekly payroll deductions. Loan terms may not be greater than five years. The maximum number of loans a participant may have outstanding at any time is one. As a result of the merger, all assets were transferred from the Plan into the acquiring plan effective October 2, 2013. See Note 9.

Payment of Benefits

Benefits commence upon one of several dates: retirement, disability, death, or termination of employment. Benefits are distributed by means of either direct rollover, lump sum distribution, or by one of various conventional annuity options.

Forfeited Accounts

As of October 2, 2013 and December 31, 2012, forfeited nonvested accounts totaled \$0 and \$30,858, respectively. Forfeited nonvested accounts are first assessed against Plan expenses, and then are used to reduce future employer contributions. There were no forfeitures assessed against Plan expenses for the period January 1, 2013 through October 2, 2013. The amount of forfeitures applied to reduce employer contributions received during the period January 1, 2013 through October 2, 2013, was \$40,029.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statement of net assets available for benefits presents the fair value of the annuity contracts, as well as the adjustment of the fully benefit-responsive annuity contract from fair value to contract value. The statement of changes in net assets available for benefits is prepared using the contract value basis for fully benefit-responsive annuity contracts.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 2 - Summary of Significant Accounting Policies - Continued

Investment and Securities Transactions

The Plan's investments are stated at fair value. All Plan assets were transferred to the acquiring plan at close of business on October 2, 2013. See Note 9.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments in all the funds, except the guaranteed annuity contract, are presented 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. The guaranteed annuity contract is fully benefit-responsive and is reported at fair value and adjusted to contract value. Contract value represents the accumulated contributions plus accrued net earnings less distributions. Fair value of the investment in the guaranteed annuity contract is equal to contract value. 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. Dividend income is recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of October 2, 2013 or December 31, 2012. If a participant ceases to make loan repayments and the Plan Administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Payment of Benefits

Benefit payments to participants are recorded when paid.

Administrative Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Certain expenses related to the administration of the Plan are allocated to the participant's account, in accordance with the Plan document, and are included in administrative expenses. Fees related to the administration of notes receivable from participants and payment of benefits to participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 2 - Summary of Significant Accounting Policies - Continued

Date of Management's Review

Management has evaluated subsequent events through July 29, 2014, the date which the financial statements were available to be issued.

Note 3 - Certified Investments

Other than the fair value of the guaranteed annuity contract and the related adjustment from fair value to contract value for fully benefit-responsive annuity contracts, certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants held at October 2, 2013 and December 31, 2012, and net appreciation (depreciation) in fair value of investments, interest and dividends for the period January 1, 2013 through October 2, 2013, was obtained or derived from information supplied to the Plan Administrator and certified as complete and accurate by Prudential Bank & Trust, FSB (the Trustee of the Plan). The contract value of the guaranteed annuity contract was certified by the Trustee. The information certified includes total investments of \$0 and \$3,662,259 at October 2, 2013 and December 31, 2012, respectively, and related income of \$586,615 for the period January 1, 2013 through October 2, 2013.

Note 4 - Investments (Unaudited)

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

The Plan held no investments as of October 2, 2013. The following presents investments that represent 5% or more of the Plan's net assets as of December 31, 2012:

	<u>2012</u>
Prudential Retirement Core Plus Bond/PIMCO Fund	\$ 335,318
Prudential Retirement Large Cap Value / LSV Fund	461,436
Prudential Retirement Large Cap Grow / JP Morgan	437,423
Prudential Retirement International Blend / AQR	742,024
Prudential Retirement Guaranteed Income Fund	668,497

During the period January 1, 2013 through October 2, 2013, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the period) appreciated (depreciated) in value by \$586,615 as follows:

Pooled separate accounts	\$ 584,577
Shares of registered investment companies	<u>2,038</u>
Total	<u><u>\$ 586,615</u></u>

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 5 - Fair Value Measurements

Financial Accounting Standards Board (FASB) ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

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 asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant 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 October 2, 2013 and December 31, 2012.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Pooled separate accounts: Valued based on the fair value of the underlying investments held in such separate accounts as determined by the Trustee using generally accepted accounting practices and applicable law.

Guaranteed annuity contract: Valued at fair value which is equal to contract value.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 5 - Fair Value Measurements - Continued

The Plan held no assets as of October 2, 2013. The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2012:

	<u>Fair Value Measurements</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
<u>December 31, 2012</u>				
Guaranteed annuity contract	\$ -	\$ -	\$ 668,497	\$ 668,497
Shares of registered investment companies				
Fixed income	48,496	-	-	48,496
International stock	31,993	-	-	31,993
Balanced	8,020	-	-	8,020
Total shares of registered investment companies	88,509	-	-	88,509
Pooled separate accounts				
Balanced	-	45,749	-	45,749
Fixed income	-	366,444	-	366,444
Global stock	-	50,927	-	50,927
International stock	-	742,024	-	742,024
Large cap stock	-	973,722	-	973,722
Mid cap stock	-	378,335	-	378,335
Small cap stock	-	279,312	-	279,312
Specialty	-	68,740	-	68,740
Total pooled separate accounts	-	2,905,253	-	2,905,253
Total Investment Assets at Fair Value	<u>\$ 88,509</u>	<u>\$ 2,905,253</u>	<u>\$ 668,497</u>	<u>\$ 3,662,259</u>

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the period January 1, 2013 through October 2, 2013:

	<u>Level 3 Assets Guaranteed Annuity Contract</u>
Balance, beginning of year	\$ 668,497
Purchases	97,238
Sales/Transfers	(803,873)
Transfers in and/or out of level 3	38,138
Balance, October 2, 2013	<u>\$ -</u>
The amount of total gains or losses for the period attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	<u>\$ -</u>

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 5 - Fair Value Measurements - Continued

Unrealized gains/(losses) from the guaranteed annuity contract are not included in the statement of changes in net assets available for benefits as the contract is recorded at contract value for purposes of the net assets available for benefits.

Note 6 - Guaranteed Annuity Contract with Insurance Company (Unaudited)

The Plan has a fully benefit-responsive guaranteed annuity contract with Prudential Bank & Trust, FSB (Prudential). Prudential maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed annuity contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Because the guaranteed annuity contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed annuity contract. The guaranteed annuity contract is presented on the face of the statement of net assets available for benefits at fair value with an adjustment to contract value in arriving at net assets available for benefits. Contract value, as reported to the Plan by Prudential, represents contributions made under the contract, plus earnings, less participant withdrawals, and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the annuity contract at October 2, 2013 and December 31, 2012, was \$0 and \$668,497, respectively. The crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than 1.50%. Such interest rates are reviewed on a semi-annual basis for resetting.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan Sponsor or other Plan Sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan Administrator believes that any events that would limit the Plan's ability to transact at contract value with participants are probable of not occurring.

The guaranteed annuity contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 6 - Guaranteed Annuity Contract with Insurance Company (Unaudited) - Continued

The average yields earned by the guaranteed annuity contract are as follows:

Average yields:	2013	2012
Based on annualized earnings (1)	*	1.30%
Based on interest rate credited to participants (2)	*	1.30%

(1) Calculated based on weighted average crediting rate of all investment contracts and short-term income at year end.

(2) Calculated based on weighted average yield to maturity of all underlying investments at year end.

*Interest is credited on contract balances using a single "portfolio rate" approach. Under this methodology, a single interest crediting rate is applied to all contributions made to the product regardless of the timing of those contributions. Interest crediting rates are reviewed on a semi-annual basis for resetting. Therefore, an interest crediting rate is not readily available for the period ending October 2, 2013.

Note 7 - Related-Party Transactions and Party in Interest Transactions

Certain Plan investments are shares of mutual funds managed by Prudential. Prudential is the Trustee as defined by the Plan and, therefore, these transactions qualify as party in interest transactions. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. As described in Note 2, the Plan made direct payments to the third party administrator of \$2,124 which were not covered by revenue sharing. The Plan Sponsor pays directly any other fees related to the Plan's operations.

Note 8 - Plan Termination

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% vested in their employer contributions.

Note 9 - Plan Merger

The Board of Directors of Chandler May, Inc. 401(k) Plan voted on March 1, 2013 to approve a merger into the Lockheed Martin Corporation Salaried Savings Plan (the acquiring plan), with an effective date of October 2, 2013. The Plan transferred all assets to the acquiring plan as of close of business on October 2, 2013. The accompanying statement of changes in net assets available for benefits includes an increase in net assets of \$933,896 for the period January 1, 2013 through October 2, 2013 and a transfer of Plan assets due to merger of \$4,920,964.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 10 - Income Tax Status

The IRS has determined and informed the Company 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 and, therefore, 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 if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan and has concluded that as of October 2, 2013 and December 31, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2010.

Note 11 - Risks and Uncertainties

The Plan invests in a variety of investment funds. Investments in general are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments 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.

Note 12 - Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at October 2, 2013 and December 31, 2012 to Form 5500:

	2013	2012
Net assets available for benefits per the financial statements	\$ -	\$ 3,987,068
Less: employer contributions receivable	-	(267,229)
Less: participant contributions receivable	-	(9,573)
Net assets available for benefits per the Form 5500	<u>\$ -</u>	<u>\$ 3,710,266</u>

The following is a reconciliation of the net increase in net assets per the financial statements for the period January 1, 2013 through October 2, 2013 to Form 5500:

Net increase in net assets per the financial statements	\$ 933,896
Add: employer contributions receivable as of December 31, 2012	267,229
Add: participant contributions receivable as of December 31, 2012	<u>9,573</u>
Net income per the Form 5500	<u>\$ 1,210,698</u>

CHANDLER MAY, INC. 401(K) PLAN
FINANCIAL STATEMENTS
OCTOBER 2, 2013 AND DECEMBER 31, 2012

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator of the
Chandler May, Inc. 401(k) Plan

Report on the Financial Statements

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Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Notes 4, and 6, which was certified by Prudential Bank & Trust, FSB, the Trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee as of October 2, 2013 and December 31, 2012, and for the period January 1, 2013 through October 2, 2013, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

Disclaimer of Opinion

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

Plan Merger

As discussed in Note 9 to the financial statements, the Plan merged into another company's plan effective October 2, 2013. Our opinion is not modified with respect to that matter.

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

The form and content of the information included in the financial statements, 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.

Sincerely,

Anglin Reichmann Snellgrove & Armstrong P.C.

CERTIFIED PUBLIC ACCOUNTANTS

July 29, 2014

CHANDLER MAY, INC. 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF OCTOBER 2, 2013 AND DECEMBER 31, 2012

ASSETS		
	<u>2013</u>	<u>2012</u>
Participant-directed investments, at fair value:		
Guaranteed annuity contract	\$ -	\$ 668,497
Pooled separate accounts	-	2,905,253
Shares of registered investment companies	-	88,509
Total Investments, at Fair Value	<u>-</u>	<u>3,662,259</u>
Receivables:		
Employer contributions	-	267,229
Participant contributions	-	9,573
Notes receivable from participants	-	48,007
Total Receivables	<u>-</u>	<u>324,809</u>
Total Assets	<u>-</u>	<u>3,987,068</u>
LIABILITIES		
Total Liabilities	<u>-</u>	<u>-</u>
Net Assets Available for Benefits, at Fair Value	-	3,987,068
Adjustment from fair value to contract value for fully benefit-responsive annuity contracts	-	-
Net Assets Available for Benefits	<u>\$ -</u>	<u>\$ 3,987,068</u>

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

CHANDLER MAY, INC. 401(K) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE PERIOD JANUARY 1, 2013 THROUGH OCTOBER 2, 2013

Additions to Net Assets Attributed to:

Investment income:	
Net appreciation in value of investments	\$ 586,615
Dividends	1,171
Interest on guaranteed annuity contract	<u>5,199</u>
Total Investment Income	<u>592,985</u>
Interest income on notes receivable from participants	<u>1,194</u>
Participant-directed contributions:	
Employer	9,171
Forfeitures applied	(40,029)
Participant salary deferrals	377,342
Participant rollovers	<u>602,312</u>
Total Contributions	<u>948,796</u>
Total Additions to Net Assets	<u>1,542,975</u>

Deductions from Net Assets Attributed to:

Benefits paid to participants	606,955
Administrative expenses	<u>2,124</u>
Total Deductions from Net Assets	<u>609,079</u>
Net Increase in Net Assets	933,896
Transfer of Plan assets due to merger	4,920,964

Net Assets Available for Benefits:

Beginning of Year	<u>3,987,068</u>
End of Year	<u><u>\$ -</u></u>

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

**CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
OCTOBER 2, 2013 AND DECEMBER 31, 2012**

Note 1 - Description of Plan

The following description of the Chandler May, Inc. 401(k) 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 substantially all employees of Chandler May, Inc. and its majority-owned subsidiary, AME Unmanned Air Systems (collectively referred to as the Company). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The trustee is responsible for oversight of the Plan.

Merger

In 2012, the Company was acquired by Lockheed Martin. On March 1, 2013, the Board of Directors of the Company approved the merger of this Plan into the Lockheed Martin Corporation Salaried Savings Plan, effective October 2, 2013. As a result of this merger, all investments were transferred from the Plan into the acquiring plan on that date. See Note 9.

Eligibility

Participation in the Plan is available to all eligible employees of the Company who have attained 21 years of age, excluding nonresident aliens, union employees, and independent contractors.

Contributions

Participant Salary Deferral - Each year, participants may contribute up to 75% of pretax annual compensation, as defined by the Plan, up to maximum amounts established by the Internal Revenue Service (IRS). Participants 50 years old or older during the Plan year are eligible for catch-up contributions, up to maximum amounts established by the IRS. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover).

Employer Discretionary Match - Each year, the Company, at the discretion of the Company's Board of Directors, may make discretionary matching contributions. For the period January 1, 2013 through October 2, 2013, the Company made matching contributions equal to 50% of the participants' elective deferrals up to 6% of the participants' eligible compensation.

Employer Profit Sharing - The Company may also elect to make a discretionary profit sharing contribution based on eligible compensation. No discretionary profit sharing contribution was made during the period January 1, 2013 through October 2, 2013.

Investment Options

Participants direct the investment of their contributions, as well as Company contributions into various investment options offered by the Plan. As of October 2, 2013, the Plan held no investments. See Note 9. As of December 31, 2012, the Plan offered a fully benefit-responsive guaranteed annuity contract, pooled separate accounts, and registered investment companies which invest in various combinations of stocks, bonds, and other investment securities.

Vesting

Participants are vested immediately in their voluntary contributions plus actual earnings thereon. Vesting in the Company's contribution portion of participants' accounts is based on years of continuous service. A participant is 100% vested after six years of creditable service.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 1 - Description of Plan - Continued

Participant Accounts

Each participant's account is credited with the participant's contributions and an allocation of the Company's contributions and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

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% of their account balance. The loans are secured by the balance in the participant's account and bear interest at rates ranging from 3.25% to 5.00%, which are commensurate with local prevailing rates as determined by the Plan Administrator. A loan is considered in default if either (i) a participant fails to make or cause to be made, any payment required under the terms of the loan within 90 days following the date on which such payment shall become due, or (ii) there is an outstanding principal balance existing on a loan after the last scheduled repayment date. Principal and interest are paid ratably through bi-weekly payroll deductions. Loan terms may not be greater than five years. The maximum number of loans a participant may have outstanding at any time is one. As a result of the merger, all assets were transferred from the Plan into the acquiring plan effective October 2, 2013. See Note 9.

Payment of Benefits

Benefits commence upon one of several dates: retirement, disability, death, or termination of employment. Benefits are distributed by means of either direct rollover, lump sum distribution, or by one of various conventional annuity options.

Forfeited Accounts

As of October 2, 2013 and December 31, 2012, forfeited nonvested accounts totaled \$0 and \$30,858, respectively. Forfeited nonvested accounts are first assessed against Plan expenses, and then are used to reduce future employer contributions. There were no forfeitures assessed against Plan expenses for the period January 1, 2013 through October 2, 2013. The amount of forfeitures applied to reduce employer contributions received during the period January 1, 2013 through October 2, 2013, was \$40,029.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statement of net assets available for benefits presents the fair value of the annuity contracts, as well as the adjustment of the fully benefit-responsive annuity contract from fair value to contract value. The statement of changes in net assets available for benefits is prepared using the contract value basis for fully benefit-responsive annuity contracts.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 2 - Summary of Significant Accounting Policies - Continued

Investment and Securities Transactions

The Plan's investments are stated at fair value. All Plan assets were transferred to the acquiring plan at close of business on October 2, 2013. See Note 9.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments in all the funds, except the guaranteed annuity contract, are presented 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. The guaranteed annuity contract is fully benefit-responsive and is reported at fair value and adjusted to contract value. Contract value represents the accumulated contributions plus accrued net earnings less distributions. Fair value of the investment in the guaranteed annuity contract is equal to contract value. 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. Dividend income is recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of October 2, 2013 or December 31, 2012. If a participant ceases to make loan repayments and the Plan Administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Payment of Benefits

Benefit payments to participants are recorded when paid.

Administrative Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Certain expenses related to the administration of the Plan are allocated to the participant's account, in accordance with the Plan document, and are included in administrative expenses. Fees related to the administration of notes receivable from participants and payment of benefits to participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 2 - Summary of Significant Accounting Policies - Continued

Date of Management's Review

Management has evaluated subsequent events through July 29, 2014, the date which the financial statements were available to be issued.

Note 3 - Certified Investments

Other than the fair value of the guaranteed annuity contract and the related adjustment from fair value to contract value for fully benefit-responsive annuity contracts, certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants held at October 2, 2013 and December 31, 2012, and net appreciation (depreciation) in fair value of investments, interest and dividends for the period January 1, 2013 through October 2, 2013, was obtained or derived from information supplied to the Plan Administrator and certified as complete and accurate by Prudential Bank & Trust, FSB (the Trustee of the Plan). The contract value of the guaranteed annuity contract was certified by the Trustee. The information certified includes total investments of \$0 and \$3,662,259 at October 2, 2013 and December 31, 2012, respectively, and related income of \$586,615 for the period January 1, 2013 through October 2, 2013.

Note 4 - Investments (Unaudited)

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

The Plan held no investments as of October 2, 2013. The following presents investments that represent 5% or more of the Plan's net assets as of December 31, 2012:

	<u>2012</u>
Prudential Retirement Core Plus Bond/PIMCO Fund	\$ 335,318
Prudential Retirement Large Cap Value / LSV Fund	461,436
Prudential Retirement Large Cap Grow / JP Morgan	437,423
Prudential Retirement International Blend / AQR	742,024
Prudential Retirement Guaranteed Income Fund	668,497

During the period January 1, 2013 through October 2, 2013, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the period) appreciated (depreciated) in value by \$586,615 as follows:

Pooled separate accounts	\$ 584,577
Shares of registered investment companies	<u>2,038</u>
Total	<u><u>\$ 586,615</u></u>

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 5 - Fair Value Measurements

Financial Accounting Standards Board (FASB) ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

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 asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant 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 October 2, 2013 and December 31, 2012.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Pooled separate accounts: Valued based on the fair value of the underlying investments held in such separate accounts as determined by the Trustee using generally accepted accounting practices and applicable law.

Guaranteed annuity contract: Valued at fair value which is equal to contract value.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 5 - Fair Value Measurements - Continued

The Plan held no assets as of October 2, 2013. The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2012:

	<u>Fair Value Measurements</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
<u>December 31, 2012</u>				
Guaranteed annuity contract	\$ -	\$ -	\$ 668,497	\$ 668,497
Shares of registered investment companies				
Fixed income	48,496	-	-	48,496
International stock	31,993	-	-	31,993
Balanced	8,020	-	-	8,020
Total shares of registered investment companies	88,509	-	-	88,509
Pooled separate accounts				
Balanced	-	45,749	-	45,749
Fixed income	-	366,444	-	366,444
Global stock	-	50,927	-	50,927
International stock	-	742,024	-	742,024
Large cap stock	-	973,722	-	973,722
Mid cap stock	-	378,335	-	378,335
Small cap stock	-	279,312	-	279,312
Specialty	-	68,740	-	68,740
Total pooled separate accounts	-	2,905,253	-	2,905,253
Total Investment Assets at Fair Value	<u>\$ 88,509</u>	<u>\$ 2,905,253</u>	<u>\$ 668,497</u>	<u>\$ 3,662,259</u>

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the period January 1, 2013 through October 2, 2013:

	<u>Level 3 Assets</u> <u>Guaranteed</u> <u>Annuity Contract</u>
Balance, beginning of year	\$ 668,497
Purchases	97,238
Sales/Transfers	(803,873)
Transfers in and/or out of level 3	38,138
Balance, October 2, 2013	<u>\$ -</u>
The amount of total gains or losses for the period attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	<u>\$ -</u>

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 5 - Fair Value Measurements - Continued

Unrealized gains/(losses) from the guaranteed annuity contract are not included in the statement of changes in net assets available for benefits as the contract is recorded at contract value for purposes of the net assets available for benefits.

Note 6 - Guaranteed Annuity Contract with Insurance Company (Unaudited)

The Plan has a fully benefit-responsive guaranteed annuity contract with Prudential Bank & Trust, FSB (Prudential). Prudential maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed annuity contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Because the guaranteed annuity contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed annuity contract. The guaranteed annuity contract is presented on the face of the statement of net assets available for benefits at fair value with an adjustment to contract value in arriving at net assets available for benefits. Contract value, as reported to the Plan by Prudential, represents contributions made under the contract, plus earnings, less participant withdrawals, and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the annuity contract at October 2, 2013 and December 31, 2012, was \$0 and \$668,497, respectively. The crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than 1.50%. Such interest rates are reviewed on a semi-annual basis for resetting.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan Sponsor or other Plan Sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan Administrator believes that any events that would limit the Plan's ability to transact at contract value with participants are probable of not occurring.

The guaranteed annuity contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 6 - Guaranteed Annuity Contract with Insurance Company (Unaudited) - Continued

The average yields earned by the guaranteed annuity contract are as follows:

Average yields:	2013	2012
Based on annualized earnings (1)	*	1.30%
Based on interest rate credited to participants (2)	*	1.30%

(1) Calculated based on weighted average crediting rate of all investment contracts and short-term income at year end.

(2) Calculated based on weighted average yield to maturity of all underlying investments at year end.

*Interest is credited on contract balances using a single "portfolio rate" approach. Under this methodology, a single interest crediting rate is applied to all contributions made to the product regardless of the timing of those contributions. Interest crediting rates are reviewed on a semi-annual basis for resetting. Therefore, an interest crediting rate is not readily available for the period ending October 2, 2013.

Note 7 - Related-Party Transactions and Party in Interest Transactions

Certain Plan investments are shares of mutual funds managed by Prudential. Prudential is the Trustee as defined by the Plan and, therefore, these transactions qualify as party in interest transactions. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. As described in Note 2, the Plan made direct payments to the third party administrator of \$2,124 which were not covered by revenue sharing. The Plan Sponsor pays directly any other fees related to the Plan's operations.

Note 8 - Plan Termination

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% vested in their employer contributions.

Note 9 - Plan Merger

The Board of Directors of Chandler May, Inc. 401(k) Plan voted on March 1, 2013 to approve a merger into the Lockheed Martin Corporation Salaried Savings Plan (the acquiring plan), with an effective date of October 2, 2013. The Plan transferred all assets to the acquiring plan as of close of business on October 2, 2013. The accompanying statement of changes in net assets available for benefits includes an increase in net assets of \$933,896 for the period January 1, 2013 through October 2, 2013 and a transfer of Plan assets due to merger of \$4,920,964.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 10 - Income Tax Status

The IRS has determined and informed the Company 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 and, therefore, 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 if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan and has concluded that as of October 2, 2013 and December 31, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2010.

Note 11 - Risks and Uncertainties

The Plan invests in a variety of investment funds. Investments in general are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments 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.

Note 12 - Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at October 2, 2013 and December 31, 2012 to Form 5500:

	2013	2012
Net assets available for benefits per the financial statements	\$ -	\$ 3,987,068
Less: employer contributions receivable	-	(267,229)
Less: participant contributions receivable	-	(9,573)
Net assets available for benefits per the Form 5500	<u>\$ -</u>	<u>\$ 3,710,266</u>

The following is a reconciliation of the net increase in net assets per the financial statements for the period January 1, 2013 through October 2, 2013 to Form 5500:

Net increase in net assets per the financial statements	\$ 933,896
Add: employer contributions receivable as of December 31, 2012	267,229
Add: participant contributions receivable as of December 31, 2012	<u>9,573</u>
Net income per the Form 5500	<u>\$ 1,210,698</u>

CHANDLER MAY, INC. 401(K) PLAN
FINANCIAL STATEMENTS
OCTOBER 2, 2013 AND DECEMBER 31, 2012

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Anglin·Reichmann·Snellgrove & Armstrong P.C.

Certified Public Accountants & Business Advisors

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator of the
Chandler May, Inc. 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Chandler May, Inc. 401(k) Plan, which comprise the statements of net assets available for benefits as of October 2, 2013 and December 31, 2012, and the related statement of changes in net assets available for benefits for the period January 1, 2013 through October 2, 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Notes 4, and 6, which was certified by Prudential Bank & Trust, FSB, the Trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee as of October 2, 2013 and December 31, 2012, and for the period January 1, 2013 through October 2, 2013, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

Disclaimer of Opinion

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

Plan Merger

As discussed in Note 9 to the financial statements, the Plan merged into another company's plan effective October 2, 2013. Our opinion is not modified with respect to that matter.

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

The form and content of the information included in the financial statements, 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.

Sincerely,

A handwritten signature in cursive script that reads "Anglin Reichmann Snellgrove & Armstrong P.C.".

CERTIFIED PUBLIC ACCOUNTANTS

July 29, 2014

CHANDLER MAY, INC. 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF OCTOBER 2, 2013 AND DECEMBER 31, 2012

ASSETS		
	<u>2013</u>	<u>2012</u>
Participant-directed investments, at fair value:		
Guaranteed annuity contract	\$ -	\$ 668,497
Pooled separate accounts	-	2,905,253
Shares of registered investment companies	-	88,509
Total Investments, at Fair Value	<u>-</u>	<u>3,662,259</u>
Receivables:		
Employer contributions	-	267,229
Participant contributions	-	9,573
Notes receivable from participants	-	48,007
Total Receivables	<u>-</u>	<u>324,809</u>
Total Assets	<u>-</u>	<u>3,987,068</u>
LIABILITIES		
Total Liabilities	<u>-</u>	<u>-</u>
Net Assets Available for Benefits, at Fair Value	-	3,987,068
Adjustment from fair value to contract value for fully benefit-responsive annuity contracts	-	-
Net Assets Available for Benefits	<u>\$ -</u>	<u>\$ 3,987,068</u>

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

CHANDLER MAY, INC. 401(K) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE PERIOD JANUARY 1, 2013 THROUGH OCTOBER 2, 2013

Additions to Net Assets Attributed to:

Investment income:	
Net appreciation in value of investments	\$ 586,615
Dividends	1,171
Interest on guaranteed annuity contract	<u>5,199</u>
Total Investment Income	<u>592,985</u>
Interest income on notes receivable from participants	<u>1,194</u>
Participant-directed contributions:	
Employer	9,171
Forfeitures applied	(40,029)
Participant salary deferrals	377,342
Participant rollovers	<u>602,312</u>
Total Contributions	<u>948,796</u>
Total Additions to Net Assets	<u>1,542,975</u>

Deductions from Net Assets Attributed to:

Benefits paid to participants	606,955
Administrative expenses	<u>2,124</u>
Total Deductions from Net Assets	<u>609,079</u>
Net Increase in Net Assets	933,896
Transfer of Plan assets due to merger	4,920,964

Net Assets Available for Benefits:

Beginning of Year	<u>3,987,068</u>
End of Year	<u><u>\$ -</u></u>

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

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 1 - Description of Plan

The following description of the Chandler May, Inc. 401(k) 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 substantially all employees of Chandler May, Inc. and its majority-owned subsidiary, AME Unmanned Air Systems (collectively referred to as the Company). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The trustee is responsible for oversight of the Plan.

Merger

In 2012, the Company was acquired by Lockheed Martin. On March 1, 2013, the Board of Directors of the Company approved the merger of this Plan into the Lockheed Martin Corporation Salaried Savings Plan, effective October 2, 2013. As a result of this merger, all investments were transferred from the Plan into the acquiring plan on that date. See Note 9.

Eligibility

Participation in the Plan is available to all eligible employees of the Company who have attained 21 years of age, excluding nonresident aliens, union employees, and independent contractors.

Contributions

Participant Salary Deferral - Each year, participants may contribute up to 75% of pretax annual compensation, as defined by the Plan, up to maximum amounts established by the Internal Revenue Service (IRS). Participants 50 years old or older during the Plan year are eligible for catch-up contributions, up to maximum amounts established by the IRS. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover).

Employer Discretionary Match - Each year, the Company, at the discretion of the Company's Board of Directors, may make discretionary matching contributions. For the period January 1, 2013 through October 2, 2013, the Company made matching contributions equal to 50% of the participants' elective deferrals up to 6% of the participants' eligible compensation.

Employer Profit Sharing - The Company may also elect to make a discretionary profit sharing contribution based on eligible compensation. No discretionary profit sharing contribution was made during the period January 1, 2013 through October 2, 2013.

Investment Options

Participants direct the investment of their contributions, as well as Company contributions into various investment options offered by the Plan. As of October 2, 2013, the Plan held no investments. See Note 9. As of December 31, 2012, the Plan offered a fully benefit-responsive guaranteed annuity contract, pooled separate accounts, and registered investment companies which invest in various combinations of stocks, bonds, and other investment securities.

Vesting

Participants are vested immediately in their voluntary contributions plus actual earnings thereon. Vesting in the Company's contribution portion of participants' accounts is based on years of continuous service. A participant is 100% vested after six years of creditable service.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 1 - Description of Plan - Continued

Participant Accounts

Each participant's account is credited with the participant's contributions and an allocation of the Company's contributions and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

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% of their account balance. The loans are secured by the balance in the participant's account and bear interest at rates ranging from 3.25% to 5.00%, which are commensurate with local prevailing rates as determined by the Plan Administrator. A loan is considered in default if either (i) a participant fails to make or cause to be made, any payment required under the terms of the loan within 90 days following the date on which such payment shall become due, or (ii) there is an outstanding principal balance existing on a loan after the last scheduled repayment date. Principal and interest are paid ratably through bi-weekly payroll deductions. Loan terms may not be greater than five years. The maximum number of loans a participant may have outstanding at any time is one. As a result of the merger, all assets were transferred from the Plan into the acquiring plan effective October 2, 2013. See Note 9.

Payment of Benefits

Benefits commence upon one of several dates: retirement, disability, death, or termination of employment. Benefits are distributed by means of either direct rollover, lump sum distribution, or by one of various conventional annuity options.

Forfeited Accounts

As of October 2, 2013 and December 31, 2012, forfeited nonvested accounts totaled \$0 and \$30,858, respectively. Forfeited nonvested accounts are first assessed against Plan expenses, and then are used to reduce future employer contributions. There were no forfeitures assessed against Plan expenses for the period January 1, 2013 through October 2, 2013. The amount of forfeitures applied to reduce employer contributions received during the period January 1, 2013 through October 2, 2013, was \$40,029.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statement of net assets available for benefits presents the fair value of the annuity contracts, as well as the adjustment of the fully benefit-responsive annuity contract from fair value to contract value. The statement of changes in net assets available for benefits is prepared using the contract value basis for fully benefit-responsive annuity contracts.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 2 - Summary of Significant Accounting Policies - Continued

Investment and Securities Transactions

The Plan's investments are stated at fair value. All Plan assets were transferred to the acquiring plan at close of business on October 2, 2013. See Note 9.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments in all the funds, except the guaranteed annuity contract, are presented 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. The guaranteed annuity contract is fully benefit-responsive and is reported at fair value and adjusted to contract value. Contract value represents the accumulated contributions plus accrued net earnings less distributions. Fair value of the investment in the guaranteed annuity contract is equal to contract value. 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. Dividend income is recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of October 2, 2013 or December 31, 2012. If a participant ceases to make loan repayments and the Plan Administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Payment of Benefits

Benefit payments to participants are recorded when paid.

Administrative Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Certain expenses related to the administration of the Plan are allocated to the participant's account, in accordance with the Plan document, and are included in administrative expenses. Fees related to the administration of notes receivable from participants and payment of benefits to participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 2 - Summary of Significant Accounting Policies - Continued

Date of Management's Review

Management has evaluated subsequent events through July 29, 2014, the date which the financial statements were available to be issued.

Note 3 - Certified Investments

Other than the fair value of the guaranteed annuity contract and the related adjustment from fair value to contract value for fully benefit-responsive annuity contracts, certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants held at October 2, 2013 and December 31, 2012, and net appreciation (depreciation) in fair value of investments, interest and dividends for the period January 1, 2013 through October 2, 2013, was obtained or derived from information supplied to the Plan Administrator and certified as complete and accurate by Prudential Bank & Trust, FSB (the Trustee of the Plan). The contract value of the guaranteed annuity contract was certified by the Trustee. The information certified includes total investments of \$0 and \$3,662,259 at October 2, 2013 and December 31, 2012, respectively, and related income of \$586,615 for the period January 1, 2013 through October 2, 2013.

Note 4 - Investments (Unaudited)

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

The Plan held no investments as of October 2, 2013. The following presents investments that represent 5% or more of the Plan's net assets as of December 31, 2012:

	<u>2012</u>
Prudential Retirement Core Plus Bond/PIMCO Fund	\$ 335,318
Prudential Retirement Large Cap Value / LSV Fund	461,436
Prudential Retirement Large Cap Grow / JP Morgan	437,423
Prudential Retirement International Blend / AQR	742,024
Prudential Retirement Guaranteed Income Fund	668,497

During the period January 1, 2013 through October 2, 2013, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the period) appreciated (depreciated) in value by \$586,615 as follows:

Pooled separate accounts	\$ 584,577
Shares of registered investment companies	<u>2,038</u>
Total	<u><u>\$ 586,615</u></u>

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 5 - Fair Value Measurements

Financial Accounting Standards Board (FASB) ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

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 asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant 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 October 2, 2013 and December 31, 2012.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Pooled separate accounts: Valued based on the fair value of the underlying investments held in such separate accounts as determined by the Trustee using generally accepted accounting practices and applicable law.

Guaranteed annuity contract: Valued at fair value which is equal to contract value.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 5 - Fair Value Measurements - Continued

The Plan held no assets as of October 2, 2013. The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2012:

	<u>Fair Value Measurements</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
<u>December 31, 2012</u>				
Guaranteed annuity contract	\$ -	\$ -	\$ 668,497	\$ 668,497
Shares of registered investment companies				
Fixed income	48,496	-	-	48,496
International stock	31,993	-	-	31,993
Balanced	8,020	-	-	8,020
Total shares of registered investment companies	88,509	-	-	88,509
Pooled separate accounts				
Balanced	-	45,749	-	45,749
Fixed income	-	366,444	-	366,444
Global stock	-	50,927	-	50,927
International stock	-	742,024	-	742,024
Large cap stock	-	973,722	-	973,722
Mid cap stock	-	378,335	-	378,335
Small cap stock	-	279,312	-	279,312
Specialty	-	68,740	-	68,740
Total pooled separate accounts	-	2,905,253	-	2,905,253
Total Investment Assets at Fair Value	<u>\$ 88,509</u>	<u>\$ 2,905,253</u>	<u>\$ 668,497</u>	<u>\$ 3,662,259</u>

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the period January 1, 2013 through October 2, 2013:

	<u>Level 3 Assets</u> <u>Guaranteed</u> <u>Annuity Contract</u>
Balance, beginning of year	\$ 668,497
Purchases	97,238
Sales/Transfers	(803,873)
Transfers in and/or out of level 3	38,138
Balance, October 2, 2013	<u>\$ -</u>
The amount of total gains or losses for the period attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	<u>\$ -</u>

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 5 - Fair Value Measurements - Continued

Unrealized gains/(losses) from the guaranteed annuity contract are not included in the statement of changes in net assets available for benefits as the contract is recorded at contract value for purposes of the net assets available for benefits.

Note 6 - Guaranteed Annuity Contract with Insurance Company (Unaudited)

The Plan has a fully benefit-responsive guaranteed annuity contract with Prudential Bank & Trust, FSB (Prudential). Prudential maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed annuity contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Because the guaranteed annuity contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed annuity contract. The guaranteed annuity contract is presented on the face of the statement of net assets available for benefits at fair value with an adjustment to contract value in arriving at net assets available for benefits. Contract value, as reported to the Plan by Prudential, represents contributions made under the contract, plus earnings, less participant withdrawals, and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the annuity contract at October 2, 2013 and December 31, 2012, was \$0 and \$668,497, respectively. The crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than 1.50%. Such interest rates are reviewed on a semi-annual basis for resetting.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan Sponsor or other Plan Sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan Administrator believes that any events that would limit the Plan's ability to transact at contract value with participants are probable of not occurring.

The guaranteed annuity contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 6 - Guaranteed Annuity Contract with Insurance Company (Unaudited) - Continued

The average yields earned by the guaranteed annuity contract are as follows:

Average yields:	2013	2012
Based on annualized earnings (1)	*	1.30%
Based on interest rate credited to participants (2)	*	1.30%

(1) Calculated based on weighted average crediting rate of all investment contracts and short-term income at year end.

(2) Calculated based on weighted average yield to maturity of all underlying investments at year end.

*Interest is credited on contract balances using a single "portfolio rate" approach. Under this methodology, a single interest crediting rate is applied to all contributions made to the product regardless of the timing of those contributions. Interest crediting rates are reviewed on a semi-annual basis for resetting. Therefore, an interest crediting rate is not readily available for the period ending October 2, 2013.

Note 7 - Related-Party Transactions and Party in Interest Transactions

Certain Plan investments are shares of mutual funds managed by Prudential. Prudential is the Trustee as defined by the Plan and, therefore, these transactions qualify as party in interest transactions. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. As described in Note 2, the Plan made direct payments to the third party administrator of \$2,124 which were not covered by revenue sharing. The Plan Sponsor pays directly any other fees related to the Plan's operations.

Note 8 - Plan Termination

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% vested in their employer contributions.

Note 9 - Plan Merger

The Board of Directors of Chandler May, Inc. 401(k) Plan voted on March 1, 2013 to approve a merger into the Lockheed Martin Corporation Salaried Savings Plan (the acquiring plan), with an effective date of October 2, 2013. The Plan transferred all assets to the acquiring plan as of close of business on October 2, 2013. The accompanying statement of changes in net assets available for benefits includes an increase in net assets of \$933,896 for the period January 1, 2013 through October 2, 2013 and a transfer of Plan assets due to merger of \$4,920,964.

CHANDLER MAY, INC. 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS - CONTINUED
OCTOBER 2, 2013 AND DECEMBER 31, 2012

Note 10 - Income Tax Status

The IRS has determined and informed the Company 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 and, therefore, 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 if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan and has concluded that as of October 2, 2013 and December 31, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2010.

Note 11 - Risks and Uncertainties

The Plan invests in a variety of investment funds. Investments in general are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments 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.

Note 12 - Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at October 2, 2013 and December 31, 2012 to Form 5500:

	2013	2012
Net assets available for benefits per the financial statements	\$ -	\$ 3,987,068
Less: employer contributions receivable	-	(267,229)
Less: participant contributions receivable	-	(9,573)
Net assets available for benefits per the Form 5500	<u>\$ -</u>	<u>\$ 3,710,266</u>

The following is a reconciliation of the net increase in net assets per the financial statements for the period January 1, 2013 through October 2, 2013 to Form 5500:

Net increase in net assets per the financial statements	\$ 933,896
Add: employer contributions receivable as of December 31, 2012	267,229
Add: participant contributions receivable as of December 31, 2012	<u>9,573</u>
Net income per the Form 5500	<u>\$ 1,210,698</u>