

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2012
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>12/10/2012</u> and ending <u>12/09/2013</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>CARDONE INDUSTRIES, INC. UNION EMPLOYEES' PENSION PLAN</u>	1b Three-digit plan number (PN) ► <u>002</u> 1c Effective date of plan <u>12/10/1982</u>
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>CARDONE INDUSTRIES, INC.</u> <u>5501 WHITAKER AVENUE</u> <u>PHILADELPHIA, PA 19124</u>	2b Employer Identification Number (EIN) <u>23-1916269</u> 2c Sponsor's telephone number <u>215-912-3000</u> 2d Business code (see instructions) <u>336300</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	<u>Filed with authorized/valid electronic signature.</u>	<u>10/10/2014</u>	<u>MARSHALL HOSEL</u>
	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 CARDONE INDUSTRIES, INC. 5501 WHITAKER AVENUE PHILADELPHIA, PA 19124		3b Administrator's EIN 23-1916269
		3c Administrator's telephone number 215-912-3000
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 3948
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	1870
b Retired or separated participants receiving benefits.....	6b	602
c Other retired or separated participants entitled to future benefits.....	6c	1541
d Subtotal. Add lines 6a , 6b , and 6c	6d	4013
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	58
f Total. Add lines 6d and 6e	6f	4071
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	
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: 1B 1G		
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>0</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 12/10/2012 and ending 12/09/2013

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>CARDONE INDUSTRIES, INC. UNION EMPLOYEES' PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>CARDONE INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>23-1916269</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month <u>12</u> Day <u>10</u> Year <u>2012</u>
2	Assets:
a	Market value 2a <u>48397059</u>
b	Actuarial value 2b <u>48551522</u>
3	Funding target/participant count breakdown:
a	For retired participants and beneficiaries receiving payment..... 3a <u>566</u> <u>13457531</u>
b	For terminated vested participants..... 3b <u>1499</u> <u>13201512</u>
c	For active participants:
(1)	Non-vested benefits..... 3c(1) <u>2190067</u>
(2)	Vested benefits..... 3c(2) <u>16645566</u>
(3)	Total active 3c(3) <u>1883</u> <u>18835633</u>
d	Total 3d <u>3948</u> <u>45494676</u>
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐
a	Funding target disregarding prescribed at-risk assumptions 4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 <u>7.12 %</u>
6	Target normal cost..... 6 <u>964317</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>07/22/2014</u>
Signature of actuary	Date
<u>JOSEPH E. CASEY</u>	<u>14-04549</u>
Type or print name of actuary	Most recent enrollment number
<u>PENSION LIVE, LLC</u>	<u>508-242-9860</u>
Firm name	Telephone number (including area code)
<u>66 NORTH STREET</u> <u>MEDFIELD, MA 02052-1657</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	3486151	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	3486151	0
10 Interest on line 9 using prior year's actual return of <u>9.40</u> %	327698	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		1032471
b Interest on (a) using prior year's effective interest rate of <u>5.77</u> % except as otherwise provided (see instructions)		59574
c Total available at beginning of current plan year to add to prefunding balance		1092045
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	1740000	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	2073849	0

Part III Funding Percentages		
14 Funding target attainment percentage	14	102.16 %
15 Adjusted funding target attainment percentage	15	106.71 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.00 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/20/2013	150000	0			
10/17/2013	150000	0			
11/14/2013	150000	0			
06/23/2014	5000000	0			
Totals ▶			18(b)	5450000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	4923624
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No		
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No		
c If line 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 5.54%	2nd segment: 6.85%	3rd segment: 7.52 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	964317	
b Excess assets, if applicable, but not greater than line 31a	31b	964317	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	4923624	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	4923624	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

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
		2012
		This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 12/10/2012 and ending 12/09/2013

A Name of plan <u>CARDONE INDUSTRIES, INC. UNION EMPLOYEES' PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CARDONE INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>23-1916269</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

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

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

BMO FINANCIAL SERVICES

39-6436442

(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?
12 13 15	NONE	325203	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

TD AMERITRADE TRUST COMPANY

20-0937408

(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?
19	NONE	0	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
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="font-size: 24pt; font-weight: bold;">2012</div> This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 12/10/2012 and ending 12/09/2013		
A Name of plan CARDONE INDUSTRIES, INC. UNION EMPLOYEES' PENSION PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 CARDONE INDUSTRIES, INC.	D Employer Identification Number (EIN) 23-1916269	

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)	1350000	5000000
(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)	9671461	9837065
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(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)	37408566	44424222
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	48430027	59261287

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	0	38183
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	38183

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	48430027	59223104
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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)	5450000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		5450000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	1069	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		1069
(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)	894692	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		894692
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(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)		6134842
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		12480603

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1324615	
(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)		1324615
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)	362911	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		362911
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1687526

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		10793077
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: **MARCUM LLP**

(2) EIN: **11-1986323**

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.)			
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.			

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

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

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

Part V Trust Information (optional)

6a Name of trust

6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection.
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For calendar plan year 2012 or fiscal plan year beginning 12/10/2012 and ending 12/09/2013

A Name of plan <u>CARDONE INDUSTRIES, INC. UNION EMPLOYEES' PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CARDONE INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>23-1916269</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>84-0519832</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>15</u>

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

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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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: 28.0% Investment-Grade Debt: 72.0% 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): _____

CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
FOR THE YEARS ENDED DECEMBER 9, 2013 AND 2012

CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Cardone Industries, Inc.
Union Employees' Pension Plan

Report on the Financial Statements

We have audited the accompanying financial statements of Cardone Industries, Inc. Union Employees' Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 9, 2013 and 2012, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 9, 2013 and 2012, and the changes in its net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year) as of December 9, 2013 referred to as “supplemental information,” is presented for the purpose of additional analysis and is not a required part of the financial statements but are supplemental information required by the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan’s management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Marcum LLP

Bala Cynwyd, PA
October 1, 2014

CARDONE INDUSTRIES, INC.

UNION EMPLOYEES' PENSION PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 9, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Assets		
Investments, at fair value:		
Money market funds	\$ 9,837,065	\$ 9,671,461
Mutual funds	<u>44,424,222</u>	<u>37,408,566</u>
Total Investments	54,261,287	47,080,027
Receivables:		
Employer contribution receivable	<u>5,000,000</u>	<u>1,350,000</u>
Total Assets	59,261,287	48,430,027
Liabilities		
Accrued administrative expenses	<u>32,183</u>	<u>--</u>
Net Assets Available for Benefits	<u>\$59,229,104</u>	<u>\$48,430,027</u>

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

CARDONE INDUSTRIES, INC.

UNION EMPLOYEES' PENSION PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 9, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Additions to Net Assets Attributed to:		
Investment income:		
Interest and dividends	\$ 895,761	\$ 786,260
Net appreciation in the fair value of investments	<u>6,134,843</u>	<u>3,356,448</u>
Total Investment Income	7,030,604	4,142,708
Employer contributions	<u>5,450,000</u>	<u>5,521,000</u>
Total Additions	<u>12,480,604</u>	<u>9,663,708</u>
Deductions from Net Assets Attributed to:		
Benefits paid directly to participants	1,324,615	1,324,992
Administrative expenses	<u>356,912</u>	<u>307,598</u>
Total Deductions	<u>1,681,527</u>	<u>1,632,590</u>
Net Increase	10,799,077	8,031,118
Net Assets Available for Benefits:		
Beginning	<u>48,430,027</u>	<u>40,398,909</u>
Ending	<u>\$59,229,104</u>	<u>\$48,430,027</u>

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

CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2013 AND 2012

NOTE 1 - DESCRIPTION OF THE PLAN

Pursuant to a collective bargaining agreement, Cardone Industries, Inc. (the "Company" and "Plan Sponsor") established the Cardone Industries, Inc. Union Employees' Pension Plan (the "Plan") effective December 10, 1982 and the most recent amendment is dated December 31, 2013.

Information regarding vesting and benefit provisions, the priority order of participants' claims to the assets of the Plan upon termination and the benefits guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), including the application of the PBGC guaranty to recent plan amendments, may be found in the plan agreement.

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the plan agreement for more complete information.

GENERAL

The Plan is a noncontributory, defined benefit pension plan covering substantially all employees who are members of Service Employee's International Union Local #252 and employed by Cardone Industries, Inc. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

PLAN TRUSTEES

The Plan's investments are held by trustees of the Plan, TD Ameritrade as of December 9, 2012 and for the period from December 10, 2012 to January 7, 2013 and BMO Harris Bank N.A. ("BMO") for the period from January 8, 2013 to December 9, 2013. All of the Plan investments were transferred from TD Ameritrade to BMO as of January 8, 2013.

PLAN ADMINISTRATION

The Plan is administered by a committee appointed by the Board of Directors of the Company. The committee has overall responsibility for the operation and administration of the Plan. The committee determines the appropriateness of the Plan's investment offerings, monitors investment performance and reports to the Plan's Board of Directors.

CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2013 AND 2012

NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

PENSION BENEFITS

For retirements on or after December 10, 1988, employees are entitled to monthly pension benefits beginning at normal retirement age (65) equal to \$13.50 multiplied by years of service and for retirements prior to December 10, 1988, the monthly benefit is \$7.00 to \$9.50 multiplied by years of service, subject to the amount in which the participant is vested. The Plan permits early retirement at ages 55-64. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity. If employees terminate before rendering 15 years of service, they forfeit the right to early retirement. The normal form of payment to a retired participant of retirement benefits payable under the Plan is a monthly life annuity payable commencing on the participant's pension commencement date and terminating with the payment due immediately preceding death. A lump sum payment to a retired participant occurs when their accrued benefit is \$5,000 or less.

DEATH AND DISABILITY BENEFITS

If an active employee dies, a death benefit equal to the remaining value of the employee's accumulated pension benefits is paid to the employee's beneficiary at the earliest retirement age. Active employees who become totally disabled receive annual disability benefits that are equal to the normal retirement benefits they have accumulated as of the time they become disabled. Disability benefits are paid until normal retirement age at which time the disabled participants begin receiving normal retirement benefits computed as though they had been employed to normal retirement age with their annual compensation remaining the same as at the time they became disabled.

FUNDING POLICY

The Company's funding policy is to make annual contributions to the Plan in amounts sufficient to provide benefits specified in the Plan and in accordance with the collective bargaining agreement. During 2013 and 2012, the Company made contributions of \$5,450,000 and \$5,521,000, respectively. As of December 9, 2013 and 2012, the Plan is in compliance with the minimum funding requirements of ERISA.

Participants are not required or permitted to make contributions under the Plan.

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2013 AND 2012

NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

VESTING

A participant becomes 20% vested after three years of credited service. Such vesting increases 20% each year thereafter until reaching 100% after seven years of credited service.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies followed by the Plan:

BASIS OF ACCOUNTING

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

USE OF ESTIMATES

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

INVESTMENT VALUATION AND INCOME RECOGNITION

Investments are reported 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 Plan's investment committee determines the Plan's valuation policies utilizing information provided by its investment advisors and custodian. See Note 3 for discussion of fair value measurements.

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

CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2013 AND 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BENEFITS PAID DIRECTLY TO PARTICIPANTS

Benefit payments to participants are recorded when paid.

ADMINISTRATIVE EXPENSES

Certain recordkeeping and administrative expenses of the Plan are borne by the Company. Expenses that are paid directly by the Company are excluded from these financial statements. Third party administrator fees and custodian fees are paid by the Plan and are recorded as deductions in the accompanying Statements of Changes in Net Assets Available for Benefits. Various transaction charges include distribution and general administration of the Plan and represent substantially all of the Plan's administrative expenses. In addition, certain investment related expenses are included in net appreciation of fair value of investments presented in the accompanying Statements of Changes in Net Assets Available for Benefits. For the years ended December 9, 2013 and 2012 the Plan paid administrative fees totaling \$356,912 and \$307,598, respectively.

NOTE 3 - FAIR VALUE MEASUREMENTS

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

Level 1 Fair Value Measurements

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.

CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2013 AND 2012

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Level 2 Fair Value Measurements

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;
- 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 Fair Value Measurements

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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 9, 2013 and 2012.

Mutual Funds and Money Market Funds: Valued at the daily closing price as reported by the fund. Funds held by the Plan are open-ended funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The funds held by the Plan are deemed to be actively traded.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 9, 2013 and 2012. During 2013 and 2012, there were no transfers of financial assets or liabilities between Levels within the fair value hierarchy.

CARDONE INDUSTRIES, INC.

UNION EMPLOYEES' PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2013 AND 2012

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

		Assets at Fair Value as of December 9, 2013		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices for Similar Assets in Active or Non-active Markets (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Total</u>			
Assets				
Investments:				
Money market funds	<u>\$ 9,837,065</u>	<u>\$ 9,837,065</u>	<u>\$ --</u>	<u>\$ --</u>
Mutual funds:				
Bond	13,991,855	13,991,855	--	--
Growth	20,589,267	20,589,267	--	--
Income	7,381,162	7,381,162	--	--
Capital appreciation	<u>2,461,938</u>	<u>2,461,938</u>	<u>--</u>	<u>--</u>
Total Mutual Funds	<u>44,424,222</u>	<u>44,424,222</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$54,261,287</u>	<u>\$54,261,287</u>	<u>\$ --</u>	<u>\$ --</u>

		Assets at Fair Value as of December 9, 2012		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices for Similar Assets in Active or Non-active Markets (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Total</u>			
Assets				
Investments:				
Money market funds	<u>\$ 9,671,461</u>	<u>\$ 9,671,461</u>	<u>\$ --</u>	<u>\$ --</u>
Mutual funds:				
Bond	14,071,750	14,071,750	--	--
Growth	15,502,253	15,502,253	--	--
Income	5,640,333	5,640,333	--	--
Capital appreciation	<u>2,194,230</u>	<u>2,194,230</u>	<u>--</u>	<u>--</u>
Total Mutual Funds	<u>37,408,566</u>	<u>37,408,566</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$47,080,027</u>	<u>\$47,080,027</u>	<u>\$ --</u>	<u>\$ --</u>

CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2013 AND 2012

NOTE 4 - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump sum distributions, that are attributable under the Plan's provisions to the employees for services they have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on a retirement benefit formula equal to \$13.50 per month for each year of service with the Company and for retirements prior to December 31, 1988 the monthly benefit is \$7.00 to \$9.50 per month for each year of service. Benefits payable under all circumstances - retirement, death and termination of employment - are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Funds that were allocated and applied to purchase annuities (whereby, Bank of Montreal was obligated to pay the related pension benefits) are excluded from the Plan's assets.

The actuarial present value of accumulated plan benefits is determined by the actuarial firm of Pension Live, LLC and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of December 10, 2013 and 2012 were (a) life expectancy of participants (the RP-2000 Healthy Annuitant Table was used), (b) retirement age assumptions vary from 55 to the normal retirement at age 70, and (c) investment return. The 2013 and 2012 valuations included assumed average rate of return of 4.53% and 5.18%, respectively. The foregoing actuarial assumptions were based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The computations of the actuarial present value of accumulated plan benefits were made on December 10, 2013 and 2012. Had the valuations been performed as of December 9, there would be no material differences.

Accumulated plan benefits are summarized as follows:

	December 9,	
	2013	2012
Actuarial present value of accumulated plan benefits:		
Vested benefits	\$66,179,751	\$56,316,213
Non-vested benefits	<u>3,220,821</u>	<u>2,794,530</u>
Actuarial Present Value of		
Accumulated Plan Benefits, total	<u>\$69,400,572</u>	<u>\$59,110,743</u>

CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2013 AND 2012

NOTE 5 - RECONCILIATION OF CHANGES IN ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

	Year Ended December 9,	
	2013	2012
Actuarial present value of accumulated plan benefits at beginning of year	\$59,110,743	\$52,179,605
Increase (decrease) during plan year due to:		
Interest due to decrease in the discount period	3,028,062	2,973,073
Benefits accumulated	2,142,001	269,949
Benefits paid	(1,324,615)	(1,324,992)
Changes in assumptions	<u>6,444,381</u>	<u>5,013,108</u>
Actuarial Present Value of Accumulated Plan Benefits at end of year	<u>\$69,400,572</u>	<u>\$59,110,743</u>

All actuarial methods and assumptions used in the 2013 valuation were the same as used in the prior year except that the discount rate for determining the FASB ASC Topic 960 present value of accumulated plan benefits has decreased from 5.18% per year to 4.53% per year.

NOTE 6 - PLAN TERMINATION

In the event that the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- 1) Benefits attributable to employee contributions, taking into account those paid out before termination;
- 2) Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding plan termination;
- 3) Other vested benefits insured by the Pension Benefit Guaranty Corporation ("PBGC") (a U.S. government agency) up to the applicable limitations;
- 4) All other vested benefits (that is, vested benefits not insured by the PBGC); and
- 5) All nonvested benefits.

CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2013 AND 2012

NOTE 6 - PLAN TERMINATION (CONTINUED)

Benefits to be provided via contracts under which the Company is obligated to pay the benefits would be excluded for allocation purposes.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, a statutory ceiling exists, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For plan terminations occurring during 2014 that ceiling is \$4,943 per month. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the plan sponsor and the level of benefits guaranteed by the PBGC.

NOTE 7 - INVESTMENTS

The following table presents the fair value of investments that represent 5% or more of the Plan's net assets available for benefits at December 9:

	2013	2012
Money Market Funds:		
BMO Prime Money Market Class I	\$9,837,065	**
TD Bank USA Institutional MMF	**	\$9,668,990
Mutual Funds:		
American Capital World Growth & Income Fund	5,668,661	4,558,978
American Growth Fund of America	7,619,645	5,764,370
American Investment Company of America	7,381,162	5,640,333
Columbia Acorn Select Fund Class Z	4,078,041	2,950,315
Royce PA Mutual Fund Invest C	3,222,921	*
Loomis Sayles Core Plus Bond Y	7,372,005	7,403,396

* Fair value less than 5%

** As of January 1, 2013, the Plan changed Trustees and this investment option was not available during the indicated year.

CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2013 AND 2012

NOTE 7 – INVESTMENTS (CONTINUED)

During the years ended December 9, 2013 and 2012, the plan's mutual funds (including gains and losses on mutual funds bought and sold, as well as held during the year) appreciated in value by \$6,134,843 and \$3,356,448, respectively.

NOTE 8 - TAX STATUS

The Plan obtained its latest determination letter on October 28, 2003, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 9, 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosures 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 9 - RELATED PARTY TRANSACTIONS

Certain plan investments are shares of funds managed by BMO from January 8, 2013 to December 9, 2013 and which were previously managed by TD Ameritrade as of December 9, 2012 and from December 10, 2012 to January 7, 2013. BMO and TD Ameritrade were the trustees as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

Fees paid by the Plan for the investment management services to BMO amounted to approximately \$25,000 and \$0 for the years ended December 9, 2013 and 2012, respectively.

CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 9, 2013 AND 2012

NOTE 9 - RELATED PARTY TRANSACTIONS (CONTINUED)

Fees paid by the Plan for the investment management services to TD Ameritrade amounted to approximately \$0 and \$26,000 for the years ended December 9, 2013 and 2012, respectively.

NOTE 10 - RISKS AND UNCERTAINTIES

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

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

NOTE 11 - SUBSEQUENT EVENTS

The Plan was amended on December 31, 2013, effectively freezing future participation and benefit accruals after December 31, 2013.

The Plan's management has evaluated subsequent events to determine if events or transactions occurring through October 1, 2014 the date the financial statements were available for issuance, require potential adjustments to, or disclosure in, the accompanying financial statements. Based upon the evaluation, the Plan's management did not identify any subsequent events that require adjustment or disclosure in the financial statements, except as described in Note 11.

Cardone Industries, Inc.
Union Employees' Pension Plan
EIN 23-1916269 PN 002

Schedule SB Line 26 – Schedule of Active Participant Data

Active Participants Age/Service Grid

	Years of Credited Service										
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
Age	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
Under 25	0	11	5	0	0	0	0	0	0	0	16
25 to 29	0	29	27	3	0	0	0	0	0	0	59
30 to 34	0	28	30	23	9	0	0	0	0	0	90
35 to 39	0	42	47	46	26	4	0	0	0	0	165
40 to 44	0	38	82	58	47	27	3	0	0	0	255
45 to 49	0	40	80	69	52	52	27	1	0	0	321
50 to 54	0	31	73	83	64	59	32	9	0	0	351
55 to 59	0	21	80	81	60	57	33	15	2	0	349
60 to 64	0	3	27	58	57	34	28	8	3	1	219
65 to 69	0	2	12	8	13	11	5	1	0	0	52
70 & up	0	0	0	0	1	3	1	1	0	0	6
Total	0	245	463	429	329	247	129	35	5	1	1883

Cardone Industries, Inc.
Union Employees' Pension Plan
EIN 23-1916269 PN 002

Schedule SB Line 23 – Statement of Actuarial Assumptions/Methods

Methods and Assumptions

Methods	
Valuation Date	December 10 th
Actuarial Cost Method	Unit credit.
Actuarial Value of Assets	Adjusted Market Value of Assets minus a decreasing fraction of the investment gain or loss for each of the two immediately preceding plan years, but it cannot be less than 90% nor more than 110% of the Adjusted Market Value of Assets. The expected investment return for a plan year is based on the lesser of the expected rate of return on plan assets (currently 7% per year) or the applicable statutory interest rate for the year. This method is specified in IRS Notice 2009-22 using a 24-month averaging period.
Map-21 Election	Yes
Economic Assumptions	
Interest Rates	<p>For minimum funding purposes: Segment interest rates (based on statutory rates in effect four months prior to beginning of Plan Year) of 5.54% per year for first 5 years, 6.85% per year for next 15 years, and 7.52% per year thereafter. The equivalent Effective Interest Rate is 7.12% per year.</p> <p>For maximum tax deductible purposes: 1.77% for the first 5 years, 4.67% per year for the next 15 years and 5.78% thereafter.</p> <p>For FASB ASC Topic 960 purposes: Discount rate of 5.18% per year.</p> <p>For PBGC premium purposes: 1.77% per year for first 5 years, 4.67% per year for next 15 years, and 5.78% per year thereafter. The PBGC Alternative Rule was adopted for the 2008 plan year and continues until at least the 2012 plan year.</p>
Other Assumptions	
Mortality	<p>For minimum funding and PBGC premium purposes: Statutory static tables for 2012 based on RP-2000 Mortality Table projected to anticipate greater future longevity, with separate rates for non-annuitants and annuitants.</p> <p>For FASB ASC Topic 960 purposes: RP-2000 Mortality Table projected with Scale AA on a generational basis, with employee rates before termination and healthy annuitant rates after termination. As a generational table, it reflects mortality improvements both before and after the measurement date.</p>

Assumption & Method Changes:

- The statutory mortality table was updated for one additional year of assumed mortality improvement and the 3-tiered statutory segment rates changed from 2.11%, 5.31% and 6.32% to 5.54%, 6.85% and 7.52%, respectively based on elections made by the Plan Sponsor and the Pension Protection Act of 2006.
- The FASB ASC Topic 960 discount rate changed from 5.77% per year to 5.18% per year.

Methods and Assumptions (continued)

Turnover	<p>Annual rates shown below:</p> <table> <tr> <th><u>Years of Employment</u></th><th><u>Rate</u></th></tr> <tr> <td>0 – 2</td><td>15.0%</td></tr> <tr> <td>3</td><td>13.0%</td></tr> <tr> <td>4 – 5</td><td>11.0%</td></tr> <tr> <td>6</td><td>10.0%</td></tr> <tr> <td>7</td><td>8.5%</td></tr> <tr> <td>8</td><td>7.0%</td></tr> <tr> <td>9 – 10</td><td>6.5%</td></tr> <tr> <td>11</td><td>6.5%</td></tr> <tr> <td>12 or more</td><td>4.5%</td></tr> </table>	<u>Years of Employment</u>	<u>Rate</u>	0 – 2	15.0%	3	13.0%	4 – 5	11.0%	6	10.0%	7	8.5%	8	7.0%	9 – 10	6.5%	11	6.5%	12 or more	4.5%
<u>Years of Employment</u>	<u>Rate</u>																				
0 – 2	15.0%																				
3	13.0%																				
4 – 5	11.0%																				
6	10.0%																				
7	8.5%																				
8	7.0%																				
9 – 10	6.5%																				
11	6.5%																				
12 or more	4.5%																				
Retirement Age	<p>Annual rates shown below for active participants who are eligible to retire:</p> <table> <tr> <th><u>Age</u></th><th><u>Retirement Rate</u></th></tr> <tr> <td>55 - 61</td><td>5%</td></tr> <tr> <td>62</td><td>15%</td></tr> <tr> <td>63 - 64</td><td>10%</td></tr> <tr> <td>65</td><td>35%</td></tr> <tr> <td>66 - 69</td><td>25%</td></tr> <tr> <td>70</td><td>100%</td></tr> </table> <p>The assumed retirement age is 65, or attained age if later, for terminated vested and disabled participants.</p>	<u>Age</u>	<u>Retirement Rate</u>	55 - 61	5%	62	15%	63 - 64	10%	65	35%	66 - 69	25%	70	100%						
<u>Age</u>	<u>Retirement Rate</u>																				
55 - 61	5%																				
62	15%																				
63 - 64	10%																				
65	35%																				
66 - 69	25%																				
70	100%																				
Disability Rates	<table> <tr> <th><u>Age</u></th><th><u>Disability Rate</u></th></tr> <tr> <td>18 – 39</td><td>.097%</td></tr> <tr> <td>40 – 44</td><td>.259%</td></tr> <tr> <td>45 – 49</td><td>.378%</td></tr> <tr> <td>50 – 54</td><td>.631%</td></tr> <tr> <td>55 – 59</td><td>1.10%</td></tr> </table>	<u>Age</u>	<u>Disability Rate</u>	18 – 39	.097%	40 – 44	.259%	45 – 49	.378%	50 – 54	.631%	55 – 59	1.10%								
<u>Age</u>	<u>Disability Rate</u>																				
18 – 39	.097%																				
40 – 44	.259%																				
45 – 49	.378%																				
50 – 54	.631%																				
55 – 59	1.10%																				
Form of Payment	Life annuity, unless the lump sum value is less than \$5,000 at termination or retirement. Lump sums are determined using the plan basis in effect for the 2012 plan year.																				
Marital Characteristics	<p>For participants not in pay status: 100% of participants are assumed to be married, with males 3 years older than females.</p> <p>For participants in pay status: Actual birth dates of spouses are included in the census data, where relevant.</p>																				
Expense Load	None																				
Benefits Not Valued	All benefits are valued.																				
Special Data Adjustments	For terminated vested participants who are beyond Normal Retirement Date and are currently less than age 80, an actuarial increase factor was applied to the vested accrued benefit.																				

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

► File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

2012**This Form is Open to Public
Inspection**

For calendar plan year 2012 or fiscal plan year beginning 12/10/2012 and ending 12/09/2013

► Round off amounts to nearest dollar.

► Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

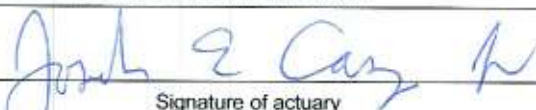
A Name of plan CARDONE INDUSTRIES, INC. UNION EMPLOYEES' PENSION PLAN	B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF CARDONE INDUSTRIES, INC.	D Employer Identification Number (EIN) 23-1916269
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>12</u> Day <u>10</u> Year <u>2012</u>	
2 Assets:	
a Market value	2a 48,397,059
b Actuarial value	2b 48,551,522
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment	3a 566
b For terminated vested participants	3b 1,499
c For active participants:	
(1) Non-vested benefits	3c(1) 2,190,067
(2) Vested benefits	3c(2) 16,645,566
(3) Total active	3c(3) 1,883
d Total	3d 3,948
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate	5 7.12 %
6 Target normal cost	6 964,317

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN
HERE**

Signature of actuary

Joseph E. Casey, Jr.

Type or print name of actuary

Pension Live, LLC

Firm name

66 North Street

Medfield

MA 02052-1657

Address of the firm

07/22/2014

Date

14-04549

Most recent enrollment number

(508) 242-9860

Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2012
v. 120126

Liquidity shortfall as of end of quarter of this plan year

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:			
a Segment rates:	1st segment: 5.54 %	2nd segment: 6.85 %	3rd segment: 7.52 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 63
23 Mortality table(s) (see instructions)	☐ Prescribed - combined	☒ Prescribed - separate	☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):												
a Target normal cost (line 6).....	31a	964,317										
b Excess assets, if applicable, but not greater than line 31a	31b	964,317										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment.....</td> <td>0</td> <td>0</td> </tr> <tr> <td>b Waiver amortization installment.....</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment.....	0	0	b Waiver amortization installment.....	0	0
	Outstanding Balance	Installment										
a Net shortfall amortization installment.....	0	0										
b Waiver amortization installment.....	0	0										
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33											
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	0										
		Carryover balance	Prefunding balance									
35 Balances elected for use to offset funding requirement.....		0	0									
36 Additional cash requirement (line 34 minus line 35).....	36	0										
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	4,923,624										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	4,923,624										
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0										
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0										
40 Unpaid minimum required contributions for all years	40	0										

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

Cardone Industries, Inc.
Union Employees' Pension Plan

EIN 23-1916269 PN 002

Schedule SB Line 22 - Description of Weighted Average Retirement Age

<u>Age</u>	<u>Decrement</u>	<u>Lx</u>	<u>Weighted Average</u>
55	5%	100%	2.75
56	5%	95%	2.66
57	5%	90%	2.57
58	5%	86%	2.49
59	5%	81%	2.40
60	5%	77%	2.32
61	5%	74%	2.24
62	15%	70%	6.49
63	10%	59%	3.74
64	10%	53%	3.42
65	35%	48%	10.94
66	25%	31%	5.16
67	25%	23%	3.93
68	25%	18%	2.99
69	25%	13%	2.27
70	100%	10%	<u>6.92</u>
Weighted Average			63.29
Rounded			63.00

Cardone Industries, Inc.
Union Employees' Pension Plan

EIN 23-1916269 PN 002

Schedule SB Part V – Summary of Plan Provisions

Plan Name	Cardone Industries, Inc. Union Employees' Pension Plan
Effective Date	December 10, 1982 Amended and Restated: December 10, 2000 Latest Amendment: December 9, 2005
Plan Year	December 10 th to December 9th.
Fiscal Year	The 12-month period beginning January 1 and ending December 31.
Participation	Any employee who is a member of Service Employees' International Union Local 252 who has completed at least 1,000 hours of service during the 12-month period beginning with the employee's date of hire. Eligible employees become participants on the first of the month coincident with or next following the date they become eligible.
Years of Service	A Year of Service is credited for each calendar year in which 1,000 or more hours of service are credited to a union employee. No partial Years of Service are credited.
Vesting Service	A year of Vesting Service is credited for each calendar year in which 1,000 or more hours of service are credited to an employee.
Normal Retirement Date	The first day of the month coincident with or next following the attainment of age 65.
Early Retirement Date	The first day of the month coincident with or next following the attainment of age 55 and completion of 15 years of Vesting Service.
Deferred Retirement Date	The first day of the month coincident with or next following the date of termination of service if it occurs after the Normal Retirement Date.
Pre-retirement Death Benefit Eligibility	If married and vested, surviving spouses of participants with a vested accrued benefit who die before commencement of payments.
Disability Retirement Date	The first day of the month following termination of service due to a total and permanent disability that continued for six months.
Termination Date	The date of termination of service other than for reasons of retirement, death, or disability.
Accrued Benefit	The Accrued Benefit for each Participant is determined using the same formula which is used to compute such Participant's Normal Retirement Benefit, taking into account the Participant's Years of Service through the date of determination.
Actuarial Equivalent	Equality in value such that the present value of the amount under any form of payment is essentially the same as the present value of the amount under the normal form of annuity payment for single participants. For purposes other than determining lump sum amounts, Actuarially Equivalent factors are based on the 1971 Group Annuity Mortality Table for Males projected by Scale E to 1976, with a one-year age setback and a 7.5% per year interest rate. For purposes of determining lump sum amounts, Actuarially Equivalent factors are based on the applicable mortality table specified in IRS Notice 2008-85 for the Plan Year of distribution and the statutory three-tier segment interest rates in effect for the first month prior to the beginning of the Plan Year of distribution.

Summary of Plan Provisions (continued)

Normal Retirement Benefit	For retirement on or after December 10, 1988, a monthly benefit of \$13.50 multiplied by Years of Service. For retirement on or after December 10, 1986 but prior to December 10, 1988, a monthly benefit of \$9.50 multiplied by Years of Service. For retirement prior to December 10, 1986, a monthly benefit of \$7.00 multiplied by Years of Service.														
Early Retirement Benefit	The Accrued Benefit, reduced by 1/180 for each of the first 60 months and by 1/360 for each of the next 60 months by which the Early Retirement Date precedes the Normal Retirement Date.														
Deferred Retirement Benefit	The greater of (a) the Accrued Benefit determined as of the Deferred Retirement Date or (b) the Accrued Benefit determined as of the Normal Retirement Date and actuarially increased to the Deferred Retirement Date.														
Preretirement Death Benefit	50% of the benefit which would have been payable had the deceased participant instead terminated service on the date of death, survived to his earliest possible benefit commencement date, elected a joint and 50% survivor annuity, and died on that same date.														
Disability Retirement Benefit	The actuarial equivalent of the accrued benefit calculated one year after termination due to disability, payable immediately.														
Termination Benefit	<p>The Accrued Benefit, multiplied by the Vested Percentage below, payable at the Normal Retirement Date, or received according to Early Retirement.</p> <table> <tr> <th>Years of Vesting Service</th><th>Vested Percent</th></tr> <tr> <td>Less than 3</td><td>0%</td></tr> <tr> <td>3</td><td>20%</td></tr> <tr> <td>4</td><td>40%</td></tr> <tr> <td>5</td><td>60%</td></tr> <tr> <td>6</td><td>80%</td></tr> <tr> <td>7 or more</td><td>100%</td></tr> </table>	Years of Vesting Service	Vested Percent	Less than 3	0%	3	20%	4	40%	5	60%	6	80%	7 or more	100%
Years of Vesting Service	Vested Percent														
Less than 3	0%														
3	20%														
4	40%														
5	60%														
6	80%														
7 or more	100%														
Normal Form of Payment	Life annuity if single, Actuarially Equivalent joint and 50% survivor annuity if married.														
Optional Forms of Payment	<ol style="list-style-type: none"> 1. Life annuity 2. Actuarially Equivalent life annuity with 5 or 10 years certain 3. Actuarially Equivalent joint and 50%, 66-2/3% or 100% survivor annuity 														
Lump Sum Payment	Payable if the Actuarially Equivalent present value of the vested Accrued Benefit is \$5,000 or less.														

Changes from prior year

There have been no changes to the Plan Provisions

**CARDONE INDUSTRIES, INC.
UNION EMPLOYEES' PENSION PLAN**

EIN: 23-1916269

PLAN #002

**SCHEDULE H - ITEM 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 9, 2013**

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
	<u>Money Market Funds:</u>			
*	BMO Prime Money Market Fund	Interest bearing cash	<u>\$ 9,837,065</u>	<u>\$ 9,837,065</u>
			<u>9,837,065</u>	<u>9,837,065</u>
	<u>Mutual Funds:</u>			
	Royce Pennsylvania Mutual Fund	Mutual fund, 225,852.887 shares	2,476,863	3,222,921
	Columbia Acorn Select Fund	Mutual fund, 130,247.222 shares	3,115,313	4,078,041
	American Growth Fund of America Class R-6	Mutual fund, 170,195.331 shares	4,899,927	7,619,645
	American Investment Company of America Class R-6	Mutual fund, 191,469.840 shares	5,226,731	7,381,162
	American Funds – Capital World Growth & Income Fund	Mutual fund, 127,185.568 shares	4,119,630	5,668,661
	American Funds New World Fund R-6	Mutual fund, 41,391,030 shares	1,914,165	2,461,938
	American Capital World Bond Fund	Mutual fund, 97,705.917 shares	2,002,387	1,986,361
	Natixis Loomis Sayles Core Plus Bond Fund Class Y	Mutual fund, 571,030.631 shares	7,310,219	7,372,005
	PIMCO Low Duration Fund Class A	Mutual fund, 231,083.131 shares	2,387,938	2,394,247
	American Funds – Short Term Bond Fund of America R-6	Mutual fund, 224,106.671 shares	<u>2,258,906</u>	<u>2,239,241</u>
			<u>35,712,079</u>	<u>44,424,222</u>
			<u>\$45,549,144</u>	<u>\$54,261,287</u>

*Party-in-Interest

See independent auditors' report.