

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2013 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>09/28/2013</u> and ending <u>10/03/2014</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>KENDALL ELECTRIC, INCORPORATED EMPLOYEE STOCK OWNERSHIP PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>003</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>09/30/1989</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>003</u>	1c Effective date of plan <u>09/30/1989</u>	
1b Three-digit plan number (PN) ▶	<u>003</u>				
1c Effective date of plan <u>09/30/1989</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>KENDALL ELECTRIC, INCORPORATED</u> <u>5101 S. SPRINKLE RD.</u> <u>PORTAGE, MI 49002-2049</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>38-2023622</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>269-978-3838</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>423600</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>38-2023622</u>	2c Sponsor's telephone number <u>269-978-3838</u>	2d Business code (see instructions) <u>423600</u>	
2b Employer Identification Number (EIN) <u>38-2023622</u>					
2c Sponsor's telephone number <u>269-978-3838</u>					
2d Business code (see instructions) <u>423600</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	06/26/2015	MARTY LEHMAN
	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		3b Administrator's EIN	
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		3c Administrator's telephone number 4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year		5	1043
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	933
b Retired or separated participants receiving benefits		6b	43
c Other retired or separated participants entitled to future benefits		6c	56
d Subtotal. Add lines 6a , 6b , and 6c		6d	1032
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		6e	2
f Total. Add lines 6d and 6e		6f	1034
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	992
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	39
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: 2I 2P 2K 2Q 3H			
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 C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2013
		This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 09/28/2013 and ending 10/03/2014

A Name of plan <u>KENDALL ELECTRIC, INCORPORATED EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KENDALL ELECTRIC, INCORPORATED</u>	D Employer Identification Number (EIN) <u>38-2023622</u>

Part I	Service Provider Information (see instructions)
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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)

CROWE HORWATH LLP

35-0921680

(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?
64	NONE	48626	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

DUFF & PHELPS, LLC

36-4090666

(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?
34	NONE	34333	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

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.	<small>OMB No. 1210-0110</small> 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning <u>09/28/2013</u> and ending <u>10/03/2014</u>		
A Name of plan <u>KENDALL ELECTRIC, INCORPORATED EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KENDALL ELECTRIC, INCORPORATED</u>	D Employer Identification Number (EIN) <u>38-2023622</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a	853490	676195
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions.....	1b(1)	701945	772429
	(2) Participant contributions.....	1b(2)		
	(3) Other.....	1b(3)	11823	10961
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	10921171	5742079
	(2) U.S. Government securities	1c(2)	0	1998760
	(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)		
	(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)	247401000	312883712
(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	259889429	322084136

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i	2699926	2322487
j Other liabilities	1j	56244	45368
k Total liabilities (add all amounts in lines 1g through 1j)	1k	2756170	2367855

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	257133259	319716281
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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)	776822	
(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)		776822
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	15729	
(B) U.S. Government securities	2b(1)(B)	3139	
(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)		18868
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	5000000	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	238	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		5000238
(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)	84095510	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		84095510

		(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)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		89891438

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	22587575	
(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)		22587575
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		180272
i Administrative expenses: (1) Professional fees	2i(1)	87581	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		87581
j Total expenses. Add all expense amounts in column (b) and enter total	2j		22855428

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		67036010
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		4452988

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: PLANTE & MORAN, PLLC

(2) EIN: 38-1357951

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		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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)
KENDALL ELECTRIC, INC. PROFIT SHARING PLAN	38-2023622	002

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

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2013</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2013 or fiscal plan year beginning 09/28/2013 and ending 10/03/2014		
A Name of plan KENDALL ELECTRIC, INCORPORATED EMPLOYEE STOCK OWNERSHIP PLAN		B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 KENDALL ELECTRIC, INCORPORATED		D Employer Identification Number (EIN) 38-2023622
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 38-3120831		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☐ No ☐ N/A		
If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____		
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....		6a
b Enter the amount contributed by the employer to the plan for this plan year.....		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?..... ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☒ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☒ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☒ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☒ Yes ☐ No		
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.		
Schedule R (Form 5500) 2013 v. 130118		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a Enter the percentage of plan assets held as:
 Stock: 0.0% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

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

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

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

**Financial Report
October 3, 2014**

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

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Independent Auditor's Report

To the Plan Administrator
Kendall Electric, Inc. Employee
Stock Ownership Plan and Trust

We have audited the accompanying financial statements of Kendall Electric, Inc. Employee Stock Ownership Plan and Trust (the "Plan"), which comprise the statement of net assets available for benefits as of October 3, 2014 and September 27, 2013 and the related statement 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

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.

Auditor's 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 audits to obtain reasonable assurance about whether the financial statements are free from 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 entity'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 entity'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.

To the Plan Administrator
Kendall Electric, Inc. Employee
Stock Ownership Plan and Trust

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Plan as of October 3, 2014 and September 27, 2013 and the changes in its net assets for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 9, the financial statements include Kendall Electric, Inc. company stock valued at approximately \$312,884,000 at October 3, 2014 and \$247,401,000 at September 27, 2013. The fair value of this investment has been estimated by management in the absence of readily determinable fair values based on valuation reports prepared by an independent appraisal firm. Our report is not modified with respect to this matter.

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 October 3, 2014 is presented for the purpose of additional analysis and is not a required part of the financial statements but is 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 audits 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.

Plante & Moran, PLLC

Kalamazoo, Michigan
May 19, 2015

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

Statement of Net Assets Available for Benefits

	October 3, 2014			September 27, 2013		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Assets						
Investments:						
Money market fund	\$ 14,493	\$ -	\$ 14,493	\$ 4,937,730	\$ -	\$ 4,937,730
U.S. government securities	1,998,760	-	1,998,760	-	-	-
Certificates of deposit	5,725,459	-	5,725,459	5,981,339	-	5,981,339
Company common stock	289,157,079	23,726,633	312,883,712	224,999,723	22,401,277	247,401,000
GMAC demand note	2,127	-	2,127	2,102	-	2,102
Total investments	296,897,918	23,726,633	320,624,551	235,920,894	22,401,277	258,322,171
Contributions receivable	772,429	-	772,429	701,945	-	701,945
Accrued income	10,961	-	10,961	11,823	-	11,823
Cash	676,195	-	676,195	853,490	-	853,490
Total assets	298,357,503	23,726,633	322,084,136	237,488,152	22,401,277	259,889,429
Liabilities						
Committed to be released	183,350	(183,350)	-	-	-	-
Loan payable (Note 6)	-	2,322,487	2,322,487	-	2,699,926	2,699,926
Other payables	240	45,128	45,368	2,394	53,850	56,244
Total liabilities	183,590	2,184,265	2,367,855	2,394	2,753,776	2,756,170
Net Assets Available for Benefits	\$ 298,173,913	\$ 21,542,368	\$ 319,716,281	\$ 237,485,758	\$ 19,647,501	\$ 257,133,259

See Notes to Financial Statements.

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

Statement of Changes in Net Assets Available for Benefits

	Year Ended October 3, 2014			Year Ended September 27, 2013		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Additions to Net Assets						
Contributions	\$ 27,039	\$ 749,783	\$ 776,822	\$ 1,937,512	\$ 566,433	\$ 2,503,945
Investment income:						
Interest and dividends:						
Interest	19,106	-	19,106	17,758	-	17,758
Dividends	4,452,988	547,012	5,000,000	4,292,651	707,349	5,000,000
Net realized and unrealized gains on company stock	77,718,370	6,377,140	84,095,510	62,590,959	6,231,641	68,822,600
Total investment income	82,190,464	6,924,152	89,114,616	66,901,368	6,938,990	73,840,358
Allocation of shares of Company common stock - At market value	5,598,796	-	5,598,796	3,402,283	-	3,402,283
Net additions	87,816,299	7,673,935	95,490,234	72,241,163	7,505,423	79,746,586
Deductions from Net Assets						
Benefits paid directly to participants or beneficiaries	22,587,575	-	22,587,575	7,511,430	-	7,511,430
Interest expense	-	180,272	180,272	-	204,895	204,895
Administrative expenses	87,581	-	87,581	58,343	-	58,343
Allocation of shares of common stock of Company - At market value	-	5,598,796	5,598,796	-	3,402,283	3,402,283
Total deductions	22,675,156	5,779,068	28,454,224	7,569,773	3,607,178	11,176,951
Net Increase Before Other Changes	65,141,143	1,894,867	67,036,010	64,671,390	3,898,245	68,569,635
Transfers Out (Note 8)	(4,452,988)	-	(4,452,988)	(4,292,651)	-	(4,292,651)
Net Increase	60,688,155	1,894,867	62,583,022	60,378,739	3,898,245	64,276,984
Net Assets Available for Benefits						
Beginning of year	237,485,758	19,647,501	257,133,259	177,107,019	15,749,256	192,856,275
End of year	<u>\$ 298,173,913</u>	<u>\$ 21,542,368</u>	<u>\$ 319,716,281</u>	<u>\$ 237,485,758</u>	<u>\$ 19,647,501</u>	<u>\$ 257,133,259</u>

See Notes to Financial Statements.

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

Notes to Financial Statements
October 3, 2014 and September 27, 2013

Note 1 - Plan Description

The following description of Kendall Electric, Inc. Employee Stock Ownership Plan and Trust (the "Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General - Kendall Electric, Inc. (the "Company") established Kendall Electric, Inc. Employee Stock Ownership Plan and Trust effective September 30, 1989. The Plan operates as a leveraged employee stock ownership plan and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (the "Code" or "IRC"), and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended. The Plan is administered by Kendall Electric, Inc. A trustee committee, as appointed by the Company's board of directors, is the Plan's trustee. Kendall Electric, Inc. Employee Stock Ownership Plan and Trust is the sole stockholder of Kendall Electric, Inc.

Eligibility - Employees of the Company are generally eligible to participate in the Plan at age 18, providing they worked at least 1,000 hours during the plan year. Participants who do not have at least 1,000 hours of service during such a plan year or are not actively employed on the last working day of a plan year are generally not eligible for an allocation of Company contributions for such year. Contribution allocations are based upon a participant's proportional share of total eligible compensation.

Vesting - Employee accounts vest with years of service. Employees are fully vested in their accounts after seven years of service. Employees are immediately fully vested when termination is due to death, disability, or normal retirement.

Benefit Distributions - No benefit distributions from the Plan will be made until a participant terminates employment with the Company. Benefit distributions are made in cash, with the maximum annual payout to any participant being the greater of \$25,000 or one-fifth of his or her account balance at termination. If the participant dies before retirement, the maximum annual payout is the greater of \$50,000 or one-fifth of the account balance at death. Beginning in 2014, the benefit distribution process changed to the "put option" outlined below.

Put Option - Beginning with participants who terminated during fiscal year 2013 or elected to diversify during fiscal year 2013, the "put option" is now being exercised by the Company instead of the ESOP, as had been done in prior years. Because of this change, the payments to participants are now made in a single payment instead of five annual installments, as was done historically. During fiscal year 2014, the Company concluded to repurchase 1,158,593 shares of common stock from the participants. The purchase price per share was \$16.065, which was the fair value per share as of September 27, 2013. Subsequent to the purchase, the Company retired the shares.

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

Notes to Financial Statements
October 3, 2014 and September 27, 2013

Note 1 - Plan Description (Continued)

Diversification - Participants who have attained the age of 55 and have completed at least 10 years of participation in the Plan are eligible to receive up to 25 percent of the value of the participant's account, less any prior diversification distributions, for a five-year period. At the end of the sixth year, after the participant becomes eligible for diversification distributions, participants are eligible to receive up to 50 percent of the value of the participant's account, less any prior diversification distributions.

Voting Company Stock - Each participant is entitled to exercise, in certain matters, voting rights attributable to the shares allocated to his or her account and is notified by the trustee prior to the time that such rights are to be exercised.

Termination - The Company reserves the right to terminate the Plan at any time, subject to the Plan's provisions. Upon termination of the Plan, the Company shall direct the trustee to pay all liabilities and expenses of the Plan and to sell shares of financed stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan. Upon any full or partial termination, all amounts credited to the affected participants' accounts will become 100 percent vested and all remaining unallocated amounts will be allocated to the accounts of all participants.

Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan's terms and the Code.

Basis of Presentation - The Plan purchased a significant portion of its Kendall Electric, Inc. common shares using the proceeds of loans from the Company, one of which is still outstanding, and holds the stock in a trust established under the Plan (see Note 6). The borrowings are to be repaid over a period of 20 years by the Company's contributions to the trust fund. As principal payments are made, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the Code.

The borrowings are collateralized by the unallocated shares of stock. Accordingly, the financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to:

- a. The accounts of employees with vesting rights in allocated stock (allocated)
- b. Stock not yet allocated to employees (unallocated), including shares that are committed to be released

Year End - The Plan has adopted a 52-/53-week annual accounting period so that the last day of each fiscal year ends on the Friday nearest September 30.

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

Notes to Financial Statements
October 3, 2014 and September 27, 2013

Note 1 - Plan Description (Continued)

Forfeitures - If a participant is not fully vested on his or her termination date, the nonvested amount of the account is forfeited. The Plan allocates forfeitures to participants based on compensation, as defined.

Note 2 - Summary of Significant Accounting Policies

Investment Valuation and Income Recognition - The common shares of the Company are valued at fair value on October 3, 2014 and September 27, 2013. Fair value is determined by annual independent appraisals. Money market funds are valued at fair value based on quoted market prices. The demand notes and certificates of deposit are valued at fair value on their outstanding balances. The U.S. government securities are valued using quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices, discounted cash flow models, and other pricing models. These models are primarily industry-standard models that consider various assumptions, including time value and yield curve as well as other relevant economic measures.

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

Benefit Payments - Benefits are recorded when paid. Amounts allocated to accounts of participants who have elected to withdraw from the Plan or have chosen to diversify but have not yet been paid totaled approximately \$33,793,000 as of October 3, 2014.

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

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

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

**Notes to Financial Statements
October 3, 2014 and September 27, 2013**

Note 2 - Summary of Significant Accounting Policies (Continued)

Subsequent Events - The financial statements and related disclosures include evaluation of events up through and including May 19, 2015, which is the date the financial statements were available to be issued.

Note 3 - Tax Status

The Plan has received a determination letter from the Internal Revenue Service indicating that the Plan, as designed, is qualified for tax-exempt treatment under the applicable section of the IRC. Although the Plan has been amended since receiving the determination letter, management believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the trust and recognize a tax liability (or asset) if the trust has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service.

During 2012, the Plan received audit findings from the Department of Labor which stated the Plan had entered into a prohibited transaction related to the provisions of a loan which was paid in full in 2006. The Department of Labor concluded it would take no further action; however, the Department of Labor did send its finding to the Internal Revenue Service (IRS) for possible followup. The Plan's trustee has not received any followup from the IRS and does not agree with the Department of Labor's position and will vigorously contest any liabilities which may be assessed in the future.

The plan administrator has analyzed the tax positions taken by the Plan, including the position noted above, and has concluded that as of October 3 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is no longer subject to tax examinations for years prior to 2010.

Note 4 - Administration of Plan Assets

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Other administrative expenses are paid by both the Company and the Plan.

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

Notes to Financial Statements October 3, 2014 and September 27, 2013

Note 5 - Investments in Common Stock

During the year ended October 3, 2014, the Company entered into a 1 to 1,000 stock split. The Company's common stock changed from \$10 par value to \$.01 par value. All references in the accompanying financial statements to the number of common shares and per-share amounts for 2013 have been restated to reflect the stock split. There are 50,000,000 authorized shares outstanding as of October 3, 2014 and September 27, 2013. There were 14,241,407 and 15,400,000 shares issued and outstanding as of October 3, 2014 and September 27, 2013, respectively.

The Plan's investments in Company common stock at October 3, 2014 and September 27, 2013 are presented in the following table:

	October 3, 2014		September 27, 2013	
	Allocated	Unallocated	Allocated	Unallocated
Number of shares	<u>13,161,451</u>	<u>1,079,956</u>	<u>14,005,585</u>	<u>1,394,415</u>
Cost	<u>\$ 11,029,926</u>	<u>\$ 1,403,403</u>	<u>\$ 11,632,627</u>	<u>\$ 1,812,200</u>
Fair value	<u>\$ 289,157,079</u>	<u>\$ 23,726,633</u>	<u>\$ 224,999,723</u>	<u>\$ 22,401,277</u>

Note 6 - Notes Payable - Employer

In 1999, the Plan obtained a loan from the Company for the purchase of 4,616,000 shares of Company stock. The original note was for \$6,000,800 and the note bears interest at 7 percent. Principal and interest payments are due annually, with the last payment scheduled in 2019. Minimum principal payments on this loan to maturity are as follows:

2015	\$ 403,859
2016	432,129
2017	462,378
2018	494,744
2019	<u>529,377</u>
Total	<u>\$ 2,322,487</u>

Note 7 - Employer Contributions

The Company is obligated to contribute cash to the Plan which, when aggregated with the Plan's interest earnings, equals the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest on its loans. These obligations can be met in the form of employer contributions or dividends.

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

Notes to Financial Statements October 3, 2014 and September 27, 2013

Note 8 - Transfers

During 2014 and 2013, the Plan made a transfer to Kendall Electric Profit Sharing Plan of \$4,452,988 and \$4,292,651, respectively. These amounts represent the portion of the \$5,000,000 dividend paid by the Company in both 2014 and 2013 that relates to shares that have been allocated to participants.

Note 9 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Plan's assets measured at fair value on a recurring basis at October 3, 2014 and September 27, 2013.

Level 1 - Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Plan has the ability to access.

Level 2 - Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 - Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset. The Company stock classified as a Level 3 investment is based on the fair value determined through a third-party appraisal, which utilized the income approach including the discounted cash flow method. The appraiser took into account historical and projected cash flow, adjusted EBITDA, and appropriate discount rates.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

Notes to Financial Statements October 3, 2014 and September 27, 2013

Note 9 - Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Recurring Basis at October 3, 2014

	Level 1	Level 2	Level 3	Balance at October 3, 2014
Money market mutual fund	\$ 14,493	\$ -	\$ -	\$ 14,493
Company stock	-	-	312,883,712	312,883,712
GMAC demand notes	-	2,127	-	2,127
Certificates of deposit	-	5,725,459	-	5,725,459
U.S. government securities	-	1,998,760	-	1,998,760
Total	<u>\$ 14,493</u>	<u>\$ 7,726,346</u>	<u>\$ 312,883,712</u>	<u>\$ 320,624,551</u>

Assets Measured at Fair Value on a Recurring Basis at September 27, 2013

	Level 1	Level 2	Level 3	Balance at September 27, 2013
Money market mutual fund	\$ 4,937,730	\$ -	\$ -	\$ 4,937,730
Company stock	-	-	247,401,000	247,401,000
GMAC demand notes	-	2,102	-	2,102
Certificates of deposit	-	5,981,339	-	5,981,339
Total	<u>\$ 4,937,730</u>	<u>\$ 5,983,441</u>	<u>\$ 247,401,000</u>	<u>\$ 258,322,171</u>

The Plan's policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event of change in circumstances that caused the transfer.

Changes in Level 3 assets measured at fair value on a recurring basis for the years ended September 27, 2013 and October 3, 2014 are as follows:

	Company Stock
Balance at September 27, 2013	\$ 247,401,000
Distributions	(18,612,798)
Total unrealized gains	<u>84,095,510</u>
Balance at October 3, 2014	<u>\$ 312,883,712</u>

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

Notes to Financial Statements October 3, 2014 and September 27, 2013

Note 9 - Fair Value Measurements (Continued)

	Company Stock
Balance at September 28, 2012	\$ 185,536,000
Sales	(6,957,600)
Total unrealized gains	68,822,600
Balance at September 27, 2013	<u>\$ 247,401,000</u>

Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets. As a result, the unrealized gains for these assets presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs. Based on the selling price of the Plan's sale of Company stock, all unrealized gains for the period are reported as such on the statement of changes in net assets.

The Plan also holds other assets and liabilities not measured at fair value on a recurring basis, including employer contributions receivable, cash, accrued income, notes payable, and other payables. The fair value of these assets and liabilities approximates the carrying amounts in the accompanying financial statements due to either the short maturity of the instruments or the use of interest rates that approximate market rates for instruments of similar maturity.

The valuation process involves plan management's selection of an independent appraiser. Plan management accumulates the data for the appraiser from the audited financial statements of the Company. The appraiser prepares a preliminary report which plan management, along with the ESOP trustees, reviews in detail, discusses, and approves.

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

Schedule of Assets Held at End of Year Form 5500, Schedule H, Line 4i EIN 38-2023622, Plan No. 003 October 3, 2014

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Kendall Electric, Inc.	14,241,407 shares of common stock	\$ 12,443,329	\$ 312,883,712
	Certificates of deposit:		
Beal Bank (Nevada)	Beal Bank, CD - 0.45% due 12/24/14	249,000	249,000
Bank of Baroda (New York)	Bank of Baroda, CD - 0.40% due 12/24/14	249,000	248,978
Bank of China (New York)	Bank of China, CD - 0.25% due 2/5/15	249,000	248,833
Bank of India (New York)	Bank of India, CD - 0.45% due 12/24/14	249,000	249,000
Bank of India (New York)	Bank of India, CD - 0.45% due 12/31/14	249,000	249,000
BMW Bank of North America (Utah)	BMW Bank of North America, CD - 0.35% due 12/30/14	249,000	248,975
Doral Bank (Puerto Rico)	Doral Bank, CD - 0.30% due 2/13/15	249,000	248,856
Enerbank USA (Utah)	Enerbank USA, CD - 0.25% due 1/30/15	249,000	248,871
Firstbank (Puerto Rico)	Firstbank, CD - 0.40% due 1/30/15	249,000	248,960
First National Bank & Trust (Oklahoma)	First National Bank & Trust, CD - 0.25% due 12/30/14	249,000	248,970
Hardin County Bank (Tennessee)	Hardin County Bank, CD - 0.25% due 12/30/14	249,000	248,965
Heritage Bank (Utah)	Heritage Bank, CD - 0.25% due 1/16/15	249,000	248,900
Isabella Bank (Michigan)	Isabella Bank, CD - 0.20% due 2/12/15	249,000	248,823
Lakeside Bank (Illinois)	Lakeside Bank, CD - 0.30% due 12/30/14	249,000	248,970
Mizuho Corporate Bank	Mizuho Corporate Bank, CD - 0.45% due 12/24/14	249,000	249,139
Peoples Bank (Arkansas)	Peoples Bank, CD - 0.35% due 1/9/15	249,000	248,933
Pilot Bank (Florida)	Pilot Bank, CD - 0.25% due 1/28/15	249,000	248,866
Pinnacle Bank (Alabama)	Pinnacle Bank, CD - 0.30% due 1/9/15	249,000	248,908
Summit State Bank (California)	Summit State Bank, CD - 0.30% due 12/30/14	249,000	248,970
Synovus Bank (Georgia)	Synovus Bank, CD - 0.35% due 1/16/15	249,000	248,928
TCF National Bank (South Dakota)	TCF National Bank, CD - 0.25% due 1/29/15	249,000	248,888
Two River Community Bank (New Jersey)	Two River Community Bank, CD - 0.20% due 2/6/15	249,000	248,826
Vist Bank (Pennsylvania)	Vist Bank, CD - 0.25% due 1/8/15	249,000	248,900
United States Treasury	U.S. government securities - United States Treasury Note - 0.75% due 1/15/17	2,003,752	1,998,760
GMAC	GMAC demand note	2,127	2,127
Comerica Securities	Money market funds -General Money Market Fund Class B	14,493	14,493
Total investments		<u>\$ 20,190,701</u>	<u>\$320,624,551</u>

Kendall Electric, Inc. Employee Stock Ownership Plan and Trust

Schedule of Assets Held at End of Year Form 5500, Schedule H, Line 4i EIN 38-2023622, Plan No. 003 October 3, 2014

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