Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
KISS NAIL PRODUCTS 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 11/01/1997

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

KISS NAIL PRODUCTS, INC.

57 SEAVIEW BLVD.
PORT WASHINGTON, NY 11050

2b Employer Identification Number (EIN) 11-3072607

2c Sponsor's telephone number 516-625-9292

2d Business code (see instructions) 424990

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.	12/29/2015	RICHARD KIM
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
KISS NAIL PRODUCTS, INC.

57 SEAVIEW BLVD.
PORT WASHINGTON, NY 11050

3b Administrator's EIN
11-3072607

3c Administrator's telephone number
516-625-9292

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**	303
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**	255
b	Retired or separated participants receiving benefits	**6b**	1
c	Other retired or separated participants entitled to future benefits	**6c**	45
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	301
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	301
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	149
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	7
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2K 2T 3D 3H

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

(1)	X		**H** (Financial Information)
(2)			**I** (Financial Information – Small Plan)
(3)		0	**A** (Insurance Information)
(4)	X		**C** (Service Provider Information)
(5)			**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2011** **This Form is Open to Public Inspection.**

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

A Name of plan
KISS NAIL PRODUCTS 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KISS NAIL PRODUCTS, INC.

D Employer Identification Number (EIN)
11-3072607

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

CAPITAL RESEARCH & MANAGEMENT CO.

95-1411037

(b) Enter name and EIN or address of person who provided you disclosure 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)

CAPITAL RESEARCH & MANAGEMENT CO.

95-1411037

(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 52 60 62 25 49 72 37	RECORDKEEPER	27566	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

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

MORGAN STANLEY SMITH BARNEY

26-4310632

(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?
49 99	FINANCIAL PROFESSIONAL	0	Yes [X] No [ ]	Yes [X] No [ ]	308	Yes [X] 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
MORGAN STANLEY SMITH BARNEY	49 99	308

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AMERICAN FUNDS DISTRIBUTORS, INC. 95-2769620	ADDITIONAL COMPENSATION FROM AMERICAN FUNDS DISTRIBUTORS, INC. OF 307.73.

(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

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

(complete as many entries as needed)

a	Name: KIM ASSOCIATE, CPA P.C.	**b** EIN:	11-2487488
c	Position: ACCOUNTANT		
d	Address: 11 WEST 30TH STREET SUITE 2R NEW YORK, NY 10001	**e** Telephone:	212-760-1766

Explanation: THE PLAN SPONSOR CHANGED THE PLAN'S AUDITOR LOOKING FOR A FIRM MORE EXPERIENCED IN THE AUDIT OF EMPLOYEE BENEFIT PLANS.

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)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

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

A Name of plan
KISS NAIL PRODUCTS 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KISS NAIL PRODUCTS, INC.

D Employer Identification Number (EIN)
11-3072607

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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	84930
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1071687	1655707
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	236139	192764
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	4777579	4901473
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	6085405	6834874
Liabilities			
g Benefit claims payable	1g	0	0
h Operating payables	1h		
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	6085405	6834874

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)	477176	
(B) Participants	2a(1)(B)	612081	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1089257
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	10414	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		10414
(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	95677	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		95677
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

			(a) Amount	(b) Total
2b	(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
	(B) Other	2b(5)(B)	0	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
	(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
	(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
	(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
	(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
	(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-266831
c	Other income	2c		23081
d	Total income. Add all **income** amounts in column (b) and enter total	2d		951598
	Expenses			
e	Benefit payment and payments to provide benefits:			
	(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	168040	
	(2) To insurance carriers for the provision of benefits	2e(2)	0	
	(3) Other	2e(3)	0	
	(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		168040
f	Corrective distributions (see instructions)	2f		0
g	Certain deemed distributions of participant loans (see instructions)	2g		7040
h	Interest expense	2h		0
i	Administrative expenses: (1) Professional fees	2i(1)	0	
	(2) Contract administrator fees	2i(2)	27049	
	(3) Investment advisory and management fees	2i(3)	0	
	(4) Other	2i(4)	0	
	(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		27049
j	Total expenses. Add all **expense** amounts in column (b) and enter total	2j		202129
	Net Income and Reconciliation			
k	Net income (loss). Subtract line 2j from line 2d	2k		749469
l	Transfers of assets:			
	(1) To this plan	2l(1)		0
	(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: BORIS BENIC AND ASSOCIATES LLP **(2)** EIN: 54-2190047

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	**4a**	X		561006
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	**4b**		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	**4c**		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	**4d**		X	
e	Was this plan covered by a fidelity bond?	**4e**	X		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?	**4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	**4j**		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l	Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	**4n**			

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

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

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

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

A Name of plan
KISS NAIL PRODUCTS 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KISS NAIL PRODUCTS, INC.

D Employer Identification Number (EIN)
11-3072607

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): 20-3691658

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

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

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

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	0.00
b The corresponding number for the second preceding plan year	**15b**	0.00

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

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

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

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

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

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

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

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

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



Boris Benic and Associates LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

KISS NAIL PRODUCTS 401(k) PLAN

Financial Statements and
Supplemental Schedules
as of December 31, 2011 and 2010

KISS NAIL PRODUCTS 401(k) PLAN

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* Other schedules required by Section 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Independent Auditor's Report

To the participants and administrator of the
Kiss Nail Products 401(k) Plan:

Report on the Financial Statements
We were engaged to audit the financial statements of the Kiss Nail Products 401(k) Plan (the "Plan"), which comprise the statement of net assets available for benefits as of December 31, 2011, and the related statement of changes in net assets available for benefits for the year 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 conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion
As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations ("DOL") for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by the Capital Bank and Trust Company, the trustee of the Plan (the "Trustee"), except for comparing such information with the related information included in the financial statements. We have been informed by the Plan's administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan's administrator has obtained a certification from the Trustee as of and for the year ended December 31, 2011, that the information provided to the Plan's administrator by the Trustee is complete and accurate.

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

Independent Auditor's Report

Other Matter

The supplemental schedules, as listed on the Index on page 1, as of or for the year ended December 31, 2011 is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Other Matter – 2010 Financial Statements

The financial statements of the Plan as of December 31, 2010, were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan administrator instructed the predecessor auditors not to perform and they did not perform any auditing procedures with respect to the information certified by the Trustee. Their report, dated February 22, 2012, indicated that: (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Trustee, were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosures under ERISA.

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

The form and content of the information included in the financial statements and supplemental schedules other than that derived from the information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Boris Benic and Associates LLP

Garden City, New York
December 22, 2015

KISS NAIL PRODUCTS 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

AS OF DECEMBER 31, 2011 AND 2010

	2011	2010
Assets:		
Investments, at fair value		
Interest-bearing cash	$ 1,655,707	$ 1,071,687
Mutual funds	4,901,473	4,777,579
	6,557,180	5,849,266
Receivables:		
Notes receivable from participants	192,764	236,139
Employer contributions	84,930	-
Total receivables	277,694	236,139
Net assets available for benefits	$ 6,834,874	$ 6,085,405

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

KISS NAIL PRODUCTS 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2011

Additions to net assets attributed to:	
Investment (loss) income:	
Net depreciation of the fair value on the investments	$ (266,831)
Dividend income from mutual funds	95,677
Other income	23,081
Total investment loss	(148,073)
Interest income on notes receivables from particpants	10,414
Contribution income:	
Participant contributions	612,081
Employer contributions	477,176
Total contribution income	1,089,257
Total additions	951,598
Deductions from net assets attributed to:	
Benefits paid to participants or beneficiaries	175,080
Administrative expenses	27,049
Total deductions	202,129
Net increase	749,469
Net Assets Available for Benefits:	
Beginning of year	6,085,405
End of year	$ 6,834,874

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

KISS NAIL PRODUCTS 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2011 AND 2010 AND
FOR THE YEAR ENDED DECEMBER 31, 2011

1. Description of the Plan

The following description of the Kiss Nail Products 401(k) Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering eligible employees of Kiss Nail Products, Inc. and various other affiliate employers (the 'Plan Sponsor" or the "Company). The Plan provides deferred compensation benefits and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan investments are administered and held in a trust by the Plan's trustee, Capital Bank and Trust Company (the "Trustee"). An affiliate of the Trustee serves as the record-keeper of the Plan. The Trustee, record-keeper and the Plan administrator are appointed by the Company.

Eligibility

The Plan covers all eligible employees of the Company who have completed one year of service. All employees are enrolled in the Plan, as soon as administratively feasible, on the first day of the Plan year quarter after meeting eligibility requirements, previously mentioned.

Participant Contributions

Participants in the Plan may make a pre-tax contribution in an amount equal to any whole percentage of at least 1% and no more than 60% of eligible compensation and subject to the Internal Revenue Service Code ("IRC") limits as discussed below. Eligible compensation means wages on Form W-2 adjusted to include participant elective deferrals and adjusted to exclude fringe benefits ("Eligible Compensation").

Total participant contributions are limited to a maximum of $16,500 for 2011. Additionally, individuals who are at least 50 years of age can make a "catch-up" contribution not to exceed $5,500 for 2011. The maximum annual addition for 2011 that may be contributed or allocated to a participant's account under the Plan shall not exceed the lesser of 100% of a participant's compensation or $49,000.

Employer Contributions

The Company makes a safe harbor matching contribution equal to 100% of participant's elective deferrals not to exceed 5% of eligible compensation, as defined.

In addition, the Company can make a discretionary non-elective contribution which would be allocated to participants on a pro-rata basis based on each participant's compensation. The Company has not made a discretionary non-elective contribution for the year ended December 31, 2011.

1. Description of the Plan

Rollover Contributions

With Plan administrator approval, Plan participants may make a transfer to the Plan of a benefit from a qualified retirement plan of another employer, referred to as a rollover.

Investments

Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various interest-bearing cash account and mutual funds as investment options for participants.

Vesting

Participants are immediately vested in their voluntary and rollover contributions, Company safe harbor matching contributions and Plan earnings thereon. The discretionary non-elective employer contributions and earnings thereon vest as follows:

Year of Service	Vesting Percentage
Less than 3	0%
3	100%

Participant Accounts

The Plan administrator establishes and maintains a separate account for each participant, which is credited for rollover and voluntary contributions the participants make, Company matching and discretionary non-elective contributions, and Plan earnings. Income earned and net appreciation or depreciation on Plan investments, for a given investment, are allocated in proportion to the participant's account balances in that fund. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Notes Receivable from Participants

Each participant may borrow up to the lesser of: (1) 50% of the present value of the participant's vested interest in the account or (2) $50,000, less currently outstanding notes receivable. No note shall be less than $1,000 and only 1 note at a time is allowed. The notes shall bear a reasonable rate of interest as determined by the Plan administrator. The interest rate on notes outstanding at December 31, 2011 were 5.25%

1. Description of the Plan

Notes Receivable from Participants
Any such borrowings are to be repaid within 60 months, unless the note is for the purchase of a principal residence for which the repayment period may not extend beyond 180 months. The notes are secured by the vested balance in the participant's account, not to exceed 50% of such vested balance. Principal and interest are to be repaid by payroll deductions. Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes are treated as distributions based upon the terms of the Plan document.

Forfeitures
At both December 31, 2011 and 2010, forfeited non-vested accounts totaled $0. These accounts may be used to reduce future safe harbor matching contributions or to pay administrative expenses of the Plan. There were no forfeited amounts used to pay administrative expenses during the year ended December 31, 2011.

ERISA Budget Account
Annually, the Trustee, through its revenue sharing arrangements ("Shared Revenue") with investment companies, shares a portion of the Shared Revenue with retirement plans which it services. Such revenues have been recorded as "Other income" on the Statement of Changes in Net Assets Available for Benefits. At December 31, 2011 and 2010, the portion of the Shared Revenue, referred to as the ERISA Budget Account amounted to $12,731 and $39,047 respectively, and is included in the investment balance on the Statements of Net Assets Available for Benefits. During 2011, the Plan used $27,049 of the ERISA Budget Account to pay administrative expenses.

Retirement
The normal retirement age is defined as when the participant reaches the age of 65. At the normal retirement date, the participant is entitled to 100% of their account balance. The participant can elect late retirement after the age of 65; however, benefits must begin by age 70 ½. A participant, who becomes disabled, as defined in the Plan document, is eligible for a disability retirement.

Distribution of Benefits
On termination of service prior to the normal retirement age, the Plan administrator may direct the Trustee to distribute the participant's vested benefits within 60 days following the Plan year. Upon retirement, hardship, termination, death, disability, and attainment of age 59 ½, vested benefits are distributed at the participant's or beneficiary's election via either a lump sum payment or installment payments.

1. Description of the Plan

Administrative Expenses

Administrative expenses may be paid out of the Plan or by the Company. Administrative expenses that are to be paid from the Plan are first paid from forfeitures, if any, and any remaining amounts are paid from the Plan's trust funds and allocated to all participants on a pro rata basis. The Company incurred certain administrative expenses relating to the Plan without charge to the Plan during 2011.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the Plan are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates and Assumptions

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. 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. See Note 5 for a discussion of fair value measurements.

Purchases and sales of securities are reflected on a trade date basis. Dividend income is recorded on the ex-dividend date. Interest income is accrued when earned. The Plan presents, in the Statement of Changes in Net Assets Available for Benefits, the net appreciation (depreciation) of the fair value of its investments, which included the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefit payments to participants or beneficiaries are recorded upon distribution or when deemed.

2. Summary of Significant Accounting Policies

Risks and Uncertainties

The Plan provides for various investment options. Investment securities are exposed to various risks including but not limited to, 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 participant's account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

Income Tax Status

The Company has adopted a prototype plan that had received an Internal Revenue Service Opinion letter dated March 31, 2008, in which the Internal Revenue Service ("IRS") stated that the Plan, as then designed, was in compliance with the applicable requirements of the IRC. 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 IRC. No provision for income taxes has been included in the financial statements since the Plan has no unrelated business income tax.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Department of Labor ("DOL") or the IRS. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2011, there are no uncertain positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by the DOL or the IRS. For the 2011 Plan year the Company timely filed its Form 5500 annual report in October 2012. The DOL reviewed the 2011 Form 5500 annual report and in February 2014, issued a notice of rejection of the October 2012 filing. In 2014, the Company hired new auditors to prepare new audited financials for the 2011 Plan year. The Plan administrator believes it is no longer subject to income tax examinations for the years prior to 2008.

Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 22, 2015, which is the date the financial statements were available to be issued. Effective February 15, 2015, the Plan was amended to allow Roth after-tax contributions by participants and to allow for additional discretionary matching contributions not to exceed 6% of Eligible Compensation.

3. Plan Termination

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

4. Investments

The following table presents the individual investment securities that exceeded 5 percent of the Plan's net assets available for benefits as of December 31, 2011 and 2010:

	2011		2010	
	Number of Shares	Fair Value	Number of Shares	Fair Value
Investments, at fair value:				
Interest-bearing cash:				
American Funds Money Market Fund R2	1,655,707	$1,655,707	1,071,687	$1,071,687
Mutual Funds:				
American Funds Capital Income Builder R2	9,930	488,831	8,678	433,222
American Funds Capital World Growth & Income R2	25,295	804,885	24,263	858,670
American Funds Growth Fund of America R2	43,570	1,223,444	42,575	1,265,745
American Funds Income Fund of America R2	26,109	433,932	27,852	457,325
Investco Intermediate Government C	53,062	495,604	41,500	371,421
Templeton Developing Markets C	*	*	21,381	533,032

*Represents less than 5% of net assets available for benefits in the indicted year.

For the year ended December 31, 2011, the Plan's mutual fund investments depreciated (including gains and losses on investments bought and sold, as well as held during the year) in value by $266,831.

5. Fair Value Measurements

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

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

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the 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: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

5. Fair Value Measurements

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

> Interest-bearing cash and mutual funds are valued at the daily closing price as reported by the fund. Interest-bearing cash and mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31:

	2011			
	Level 1	**Level 2**	**Level 3**	**Total**
Interest-bearing cash	$ 1,655,707	$ -	$ -	$ 1,655,707
Mutual funds:				
Balanced	89,835	-	-	89,835
Bond	1,019,886	-	-	1,019,886
Diversified Emerging Markets	132,379	-	-	132,379
Equity-Income	922,763	-	-	922,763
Growth	2,059,518	-	-	2,059,518
Target Date	671,231	-	-	671,231
Value	5,862	-	-	5,862
Total mutual funds	4,901,473	-	-	4,901,473
Total assets at fair value	$ 6,557,180	$ -	$ -	$ 6,557,180

5. Fair Value Measurements

	2010			
	Level 1	**Level 2**	**Level 3**	**Total**
Interest-bearing cash	$ 1,071,687	$ -	$ -	$ 1,071,687
Mutual funds:				
Bond	811,780	-	-	811,780
Diversified Emerging Markets	533,032	-	-	533,032
Equity-Income	890,547	-	-	890,547
Growth	2,150,163	-	-	2,150,163
Target Date	388,607	-	-	388,607
Value	3,450	-	-	3,450
Total mutual funds	4,777,579	-	-	4,777,579
Total assets at fair value	$ 5,849,266	$ -	$ -	$ 5,849,266

There were no significant transfers between level 1 and level 2 investments during the year ended December 31, 2011.

6. Party-in-Interest Transactions

Certain Plan investments are shares of funds managed by an affiliate of the Trustee. Administrative expenses are paid to the Trustee and its affiliate who acts as the record-keeper of the Plan. These transactions with the Trustee and its affiliates qualify as party-in-interest transactions. Notes receivable to Plan participants also qualify as party-in-interest transactions. The above transactions are not, however, considered prohibited transactions under CFR 408 (b) of the ERISA regulations.

7. Unaudited Information Certified by the Plan's Trustee

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information which was certified by the Trustee, as complete and accurate, except for comparing such information certified by the Trustee to information included in the Plan's financial statements and supplemental schedule:

As of December 31,	**2011**	**2010**
Investments, at fair value	$ 6,557,180	$ 5,849,266
Notes receivable from participants	$ 192,764	$ 236,139

For the year ended December 31, 2011:	
Investment (loss) income:	
Net depreciation of the fair value on the investments	$ (266,831)
Dividend income from mutual funds	95,677
Other income	23,081
Total investment loss	$ (148,073)
Interest income on notes receivable from participants	$ 10,414

In addition, the information in the supplemental Schedule of Assets (Held at End of Year) as of December 31, 2011, has been certified by the Trustee to be complete and accurate.

8. Nonexempt Transactions

The Company withheld from participants' pay certain contributions and loan repayments during the year ended December 31, 2011, which were not remitted to the Plan's trust within the time frame required by the DOL under the plan asset rules. These late remitted participant contributions constitute a loan from the Plan to the Company. This loan plus interest was $561,006 (interest is based on the DOL's lost earnings prescribed rates during the affected dates which changes quarterly). The late remittances of $560,620 were paid to the Plan's trust during 2011 and the related interest of $386 is to be paid in 2015.

SCHEDULE H, Part IV, LINE 4a

KISS NAIL PRODUCTS 401(k) PLAN
PLAN SPONSOR: KISS NAIL PRODUCTS, INC.
PLAN SPONSOR EIN: 11-3072607
PLAN NUMBER: 001
SCHEDULE OF DELIQUENT PARTICIPANT CONTIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Participant Contributions Transferred Late to Plan			Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
Check here if Late Particpant Loan Repayments are Included:	Amount Withheld	Date Withheld	Date Remitted	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Corection in VFCP	
X	$ 28,212.15	01/14/2011	02/01/2011		$ 28,212.15		$ 28,238.51
X	28,327.67	01/28/2011	02/07/2011		28,327.67		28,334.88
X	27,855.95	02/11/2011	02/22/2011		27,855.95		27,865.39
X	28,512.39	02/25/2011	03/07/2011		28,512.39		28,519.63
X	29,616.86	03/11/2011	03/22/2011		29,616.86		29,626.88
X	28,004.40	03/25/2011	04/07/2011		28,004.40		28,023.30
X	28,241.81	04/08/2011	04/21/2011		28,241.81		28,260.85
X	27,693.72	06/03/2011	06/15/2011		27,693.72		27,709.19
X	29,221.56	07/01/2011	07/12/2011		29,221.56		29,224.81
X	28,303.51	07/15/2011	07/26/2011		28,303.51		28,316.09
X	29,139.59	07/29/2011	09/30/2011		29,139.59		8,869.61
X	28,359.46	08/12/2011	08/25/2011		28,359.46		28,378.32
X	26,578.51	08/26/2011	09/30/2011		26,578.51		25,342.29
X	25,325.52	09/09/2011	09/22/2011		25,325.52		47,005.51
X	25,097.18	09/23/2011	10/06/2011		25,097.18		25,109.66
X	25,055.18	10/07/2011	10/20/2011		25,055.18		25,067.62
X	24,499.58	10/21/2011	11/01/2011		24,499.58		24,507.67
X	24,309.24	11/04/2011	11/15/2011		24,309.24		24,317.25
X	22,887.07	11/18/2011	11/30/2011		22,887.07		22,890.83
X	22,848.08	12/02/2011	12/13/2011		22,848.08		22,855.60
X	22,530.60	12/16/2011	12/29/2011		22,530.60		22,541.71
TOTALS	$ 560,620.03				$ 560,620.03		$ 561,005.60

SCHEDULE H, Part IV, LINE 4i

KISS NAIL PRODUCTS 401(k) PLAN
PLAN SPONSOR: KISS NAIL PRODUCTS, INC.
PLAN SPONSOR EIN: 11-3072607
PLAN NUMBER: 001

SCHEDULE OF ASSETS (HELD AT END OF YEAR) AS OF DECEMBER 31, 2011

(a)	(b) Identity of issuer, lesser, borrower or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, maturity value	(d) Shares	(e) Cost	(f) Current Value
	Interest-bearing cash:				
*	American Funds	Money Market Fund R2	1,655,707	**	$ 1,655,707
	Mutal Funds:				
		Diversified Bond C	11,328	**	124,492
	American Century				
*	American Funds	2010 Target Date Fund R2	2,494	**	22,223
*	American Funds	2015 Target Date Fund R2	4	**	39
*	American Funds	2020 Target Date Fund R2	13,658	**	120,052
*	American Funds	2025 Target Date Fund R2	11,934	**	103,943
*	American Funds	2030 Target Date Fund R2	15,681	**	138,931
*	American Funds	2035 Target Date Fund R2	5,866	**	51,622
*	American Funds	2040 Target Date Fund R2	10,188	**	90,162
*	American Funds	2045 Target Date Fund R2	3,704	**	32,710
*	American Funds	2050 Target Date Fund R2	7,989	**	69,346
*	American Funds	2055 Target Date Fund R2	3,963	**	42,203
*	American Funds	American Balanced Fund R2	4,955	**	89,835
*	American Funds	Capital Income Builder R2	9,930	**	488,831
*	American Funds	Capital World Growth & Income R2	25,295	**	804,885
*	American Funds	Europacific Growth Fund R2	910	**	31,189
*	American Funds	Growth Fund of America R2	43,570	**	1,223,444
*	American Funds	Income Fund of America R2	26,109	**	433,932
*	American Funds	US Govt Securities R2	4,486	**	64,646
	Investco	Intermediate Government C	53,062	**	495,604
	Oppenheimer	International Bond C	3,079	**	19,029
	Templeton	Developing Markets C	6,389	**	132,379
	Templeton	Global Bond C	25,432	**	316,115
	Victory	Value C	607	**	5,862
	Total mutual funds				4,901,473
*	Participant notes receivable	Participant loans - Interest rates at 5.25%		- 0 -	192,764
	Total			**	$ 6,749,944

* Represents a party-in-interest as defined by the Employee Retirement Income Security Act of 1974.
** Cost omitted for participant directed investments.

The above information was certified to be complete and accurate by the Capital Bank and Trust Company, the trustee of the Plan.

Schedule H/I, Line 4a
Schedule of Delinquent Participant Contributions

Name of Plan: Kiss Nail Products 401(k) Plan

Employer Identification No.: ► 11-3072607
Plan year (beginning/ending):► 01/01/2011 - 12/31/2011 Plan number:► 001

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
Check here if Late Participant Loan Repayments are included: ☐	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
	561006			

ASSETS HELD FOR INVESTMENT PURPOSES

Kiss Nail Products 401(k) Plan
01-JAN-11 to 31-DEC-11

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
1RERBX			34,308.33	31,188.76
1RGABX			1,102,266.11	1,223,444.42
1TDMTX			150,514.70	132,379.47
1RWIBX			790,967.87	804,884.63
1VVFCX			6,702.14	5,861.64
1RIRBX			462,632.19	488,831.10
1RIDBX			388,222.53	433,931.61
1RLBBX			90,022.15	89,834.79
1RGVBX			63,836.17	64,646.37
1CDBCX			121,294.16	124,491.69
1AGVCX			475,003.09	495,603.62
1OIBCX			20,061.37	19,029.45
1TEGBX			322,118.41	316,114.58
1RABXX			1,642,976.46	1,642,976.46
1RBATX			20,963.54	22,223.35
1RBJTX			35.17	38.65
1RBCTX			116,390.09	120,051.57
1RBDTX			100,509.23	103,942.70
1RBETX			135,407.93	138,931.18
1RBFTX			52,392.68	51,622.07
1RBKTX			84,573.50	90,162.43
1RBHTX			33,830.11	32,710.06
1RBITX			67,963.43	69,345.74
1RBMTX			46,326.33	42,203.25
			6,329,317.69	**6,544,449.59**
PARTICIPANT LOANS	VARIOUS	5.250-5.250	192,393.56	192,764.09
FORFEITURES			12,730.84	12,730.84

Attachment to Form 5500, Schedule H, Part 4, Item I
EIN # 113072607

ASSETS HELD FOR INVESTMENT PURPOSES

Kiss Nail Products 401(k) Plan
01-JAN-11 to 31-DEC-11

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE

LEGEND

INVESTMENT OPTION:

1RERBX	American Funds EuroPacific Growth Fd R2	1RGABX	American Funds Growth Fund of America R2
1TDMTX	Templeton Developing Markets C	1RWIBX	American Funds Capital World Gr & Inc R2
1VVFCX	Victory Value C	1RIRBX	American Funds Capital Income Builder R2
1RIDBX	American Funds Income Fund of America R2	1RLBBX	American Funds American Balanced Fund R2
1RGVBX	American Funds US Govt Securities Fd R2	1CDBCX	American Century Diversified Bond C
1AGVCX	INVESCO Intermediate Government C	1OIBCX	Oppenheimer International Bond Fund - C
1TEGBX	Templeton Global Bond Fund - C	1RABXX	American Funds Money Market Fund R2
1RBATX	American Funds 2010 Target Date Fund R2	1RBJTX	American Funds 2015 Target Date Fund R2
1RBCTX	American Funds 2020 Target Date Fund R2	1RBDTX	American Funds 2025 Target Date Fund R2
1RBETX	American Funds 2030 Target Date Fund R2	1RBFTX	American Funds 2035 Target Date Fund R2
1RBKTX	American Funds 2040 Target Date Fund R2	1RBHTX	American Funds 2045 Target Date Fund R2
1RBITX	American Funds 2050 Target Date Fund R2	1RBMTX	American Funds 2055 Target Date Fund R2

COST OF ASSETS: The original cost of the assets in each investment option as of the last day of the plan year
CURRENT VALUE: The value of all assets in each investment option as of the last day of the plan year