SVB FINANCIAL GROUP
Form 10-Q
August 09, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

ý	**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
	For the quarterly period ended June 30, 2006
	OR
o	**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
	For the transition period from to .

Commission File Number: 000-15637

SVB FINANCIAL GROUP

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**91-1962278** (I.R.S. Employer Identification No.)
3003 Tasman Drive, Santa Clara, California (Address of principal executive offices)	**95054-1191** (Zip Code)

(408) 654-7400

(Registrant s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ý No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Large accelerated filer ý Accelerated filer o Non-accelerated filer o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes o No ý

At July 31, 2006, 34,531,095 shares of the registrant s common stock ($0.001 par value) were outstanding.

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PART I - FINANCIAL INFORMATION

ITEM 1. INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

SVB FINANCIAL GROUP AND SUBSIDIARIES

INTERIM CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(Dollars in thousands, except par value and share data)	June 30, 2006	December 31, 2005
Assets		
Cash and due from banks	$ 321,334	$ 286,446
Federal funds sold, securities purchased under agreement to resell and other short-term investment securities	222,937	175,652
Investment securities	1,759,387	2,037,270
Loans, net of unearned income	2,950,626	2,843,353
Allowance for loan and lease losses	(37,907)	(36,785)
Net loans	2,912,719	2,806,568
Premises and equipment, net of accumulated depreciation and amortization	31,328	25,099
Goodwill	17,204	35,638
Accrued interest receivable and other assets	206,742	175,042
Total assets	$ 5,471,651	$ 5,541,715
Liabilities, Minority Interest, and Stockholders Equity		
Liabilities:		
Deposits:		
Noninterest-bearing demand	$ 2,758,391	$ 2,934,278
Negotiable order of withdrawal (NOW)	46,489	39,573
Money market	777,327	961,052
Time	331,097	317,827
Total deposits	3,913,304	4,252,730
Federal funds purchased and securities sold under agreement to repurchase	533,811	279,464
Contingently convertible debt	147,990	147,604
Junior subordinated debentures	49,857	48,228
Other borrowings		11
Other liabilities	105,535	124,921
Total liabilities	4,750,497	4,852,958
Commitments and contingencies		
Minority interest in capital of consolidated affiliates	153,033	119,456
Stockholders equity:		
Preferred stock, $0.001 par value, 20,000,000 shares authorized; no shares issued and outstanding		
Common stock, $0.001 par value, 150,000,000 shares authorized; 34,858,110 and 35,103,145 shares outstanding at June 30, 2006 and December 31, 2005, respectively	35	35
Additional paid-in capital	8,876	8,439
Retained earnings	596,128	587,713
Unearned compensation		(5,792)
Accumulated other comprehensive loss	(36,918)	(21,094)
Total stockholders equity	568,121	569,301
Total liabilities, minority interest, and stockholders equity	$ 5,471,651	$ 5,541,715

See accompanying notes to interim consolidated financial statements (unaudited).

SVB FINANCIAL GROUP AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(Dollars in thousands, except per share amounts)	Three Months Ended June 30, 2006	Three Months Ended June 30, 2005	Six Months Ended June 30, 2006	Six Months Ended June 30, 2005
Interest income:				
Loans	$ 70,219	$ 51,306	$ 136,367	$ 98,762
Investment securities:				
Taxable	19,600	20,935	39,994	41,680
Non-taxable	781	947	1,604	1,970
Federal funds sold, securities purchased under agreement to resell and other short-term investments	2,530	2,025	4,570	4,984
Total interest income	93,130	75,213	182,535	147,396
Interest expense:				
Deposits	2,336	2,848	4,661	5,110
Other borrowings	5,032	931	8,233	1,726
Total interest expense	7,368	3,779	12,894	6,836
Net interest income	85,762	71,434	169,641	140,560
Provision for (recovery of) loan and lease losses	4,602	814	2,128	(3,000)
Net interest income after provision for (recovery of) loan and lease losses	81,160	70,620	167,513	143,560
Noninterest income:				
Client investment fees	10,972	7,805	20,609	15,201
Gains on derivative instruments, net	12,727	10,115	14,954	14,141
Corporate finance fees	2,775	6,935	5,213	11,749
Letter of credit and standby letter of credit income	2,642	2,423	4,992	4,793
Deposit service charges	2,310	2,378	4,488	4,882
Gains (losses) on investment securities, net	4,080	(1,631)	4,019	(429)
Other	5,472	2,364	10,104	5,421
Total noninterest income	40,978	30,389	64,379	55,758
Noninterest expense:				
Compensation and benefits (including share-based payment expense of $5.6, $2.2, $11.5 and $3.4, respectively (in millions))	48,675	44,280	93,196	84,548
Impairment of goodwill	18,434		18,434	
Professional services	10,074	5,653	18,429	10,723
Net occupancy	4,298	4,215	8,503	8,873
Furniture and equipment	3,671	3,300	7,375	6,019
Business development and travel	2,987	2,702	5,741	4,792
Correspondent bank fees	1,452	1,475	2,582	2,696
Data processing services	861	952	1,989	1,965
Telephone	880	1,061	1,787	1,950
(Reduction of) provision for unfunded credit commitments	(3,325)	(1,074)	(3,821)	(1,259)
Other	5,631	3,761	10,111	6,833
Total noninterest expense	93,638	66,325	164,326	127,140
Income before minority interest in net (income) loss of consolidated affiliates, income tax expense and cumulative effect of change in accounting principle	28,500	34,684	67,566	72,178
	(5,814)	372	(6,058)	813

Minority interest in net (income) loss of consolidated affiliates								
Income before income tax expense		22,686		35,056		61,508		72,991
Income tax expense		9,092		14,160		25,835		29,159
Net income before cumulative effect of change in accounting principle		13,594		20,896		35,673		43,832
Cumulative effect of change in accounting principle, net of tax (1)						192		
Net income	$	13,594	$	20,896	$	35,865	$	43,832
Earnings per common share basic, before cumulative effect of change in accounting principle	$	0.39	$	0.60	$	1.02	$	1.24
Earnings per common share diluted, before cumulative effect of change in accounting principle	$	0.36	$	0.54	$	0.93	$	1.13
Earnings per common share basic	$	0.39	$	0.60	$	1.02	$	1.24
Earnings per common share diluted	$	0.36	$	0.54	$	0.94	$	1.13

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(1) The cumulative effect of change in accounting principle and taxes on previously granted share-based compensation for the effect of adopting Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment* .

See accompanying notes to interim consolidated financial statements (unaudited).

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SVB FINANCIAL GROUP AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	Three Months Ended June 30,		**Six Months Ended June 30,**	
(Dollars in thousands)	**2006**	**2005** 39,251,930		
Mutual Funds				
Financials	1,465,506			1,465,506
Short-term Funds	65,374,367			65,374,367
Equity Funds	380,273,309			380,273,309
Grand Total	$ 2,047,916,098	$ 382,410,232	$ 807,390,581	$ 3,237,716,911

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MARRIOTT INTERNATIONAL, INC. EMPLOYEES PROFIT SHARING,

RETIREMENT AND SAVINGS PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

NOTE 4: FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth a summary of changes in the fair value of the Plan s Level 3 investments for the year ended December 31, 2012.

Investments	Beginning Balance at 12/31/2011	Principal Paydowns	Purchases	Sales	Settlements	Total Gains	Change in Unrealized Gain/(Loss)	Change in Accrued Income	Transfers to Level 2	Ending Balance 12/31/2012
Guaranteed Investment Contracts	$ 77,276,426	$	$ 15,182,007	$ (77,425,202)	$	$	$	$	$	$ 15,033,231
Synthetic Guaranteed Investment Contracts										
Asset-Backed Securities	56,572,089	(6,063,231)	26,896,443	(10,843,370)	(10,684,997)	2,084,223	(34,875)	(5,961)	(57,920,321)	
Commercial Mortgage-Backed Securities	30,943,653	(3,971,389)	16,047,734	(2,202,255)	(9,846,835)	1,783,990	337,329	38,094	(33,130,321)	
Corporate Bonds	293,624,174	(560,807)	136,643,878	(109,579,043)	(22,783,414)	10,989,358	6,465,616	(388,832)	(314,410,930)	
Short-Term Investment Funds	1,210,548		15,611,975	(9,649,820)	(5,962,156)	29,800		443	(1,240,790)	
Government Agencies	51,950,041		41,021,544	(7,624,737)	(33,359,876)	1,514,786	288,683	88,976	(53,879,417)	
Government Bonds	96,724,959		110,969,524	(118,060,139)	7,760,082	1,111,674	(613,865)	(146,488)	(97,745,747)	
Government Mortgage-Backed Securities	174,597,518	(52,426,580)	59,721,603	(45,214,290)	36,288,319	5,768,799	(1,047,148)	(148,793)	(177,539,428)	
Guaranteed Fixed Income	485,259					7,472	(6,674)	(654)	(485,403)	
Index-Linked Government Bonds	4,488,035		8,242,222	(25,829)	(8,216,326)	56,788	(5,253)	22,735	(4,562,372)	
Invested Cash	9,871,819							1,408	(9,873,227)	
Municipal/Provincial Bonds	7,602,676		6,851,174	(2,314,866)	(4,468,469)	282,600	266,198	47,158	(8,266,471)	
Non-Government Backed CMOs	85,773	(2,390)		(77,991)	81,075	316	(687)	(229)	(85,867)	
Other Fixed Income Securities	1,030,224					9,633	2,268	(43)	(1,042,082)	
Pending Trade Purchases and Sales	927,387						(3,553,864)		2,626,477	
Total	$ 807,390,581	$ (63,024,397)	$ 437,188,104	$ (383,017,542)	$ (51,192,597)	$ 23,639,439	$ 2,097,728	$ (492,186)	$ (757,555,899)	$ 15,033,231

As underlying assets in the synthetic guaranteed income contract and their observable market data are available, these assets were transferred from Level 3 into Level 2 measurements.

The following table provides a summary of the valuation technique applied in determining the fair value of the Plan s Level 3 investments and quantitative information regarding the significant unobservable inputs used:

Quantitative Information about Level 3 Fair Value Measurements

	Fair Value at 12/31/2012	Valuation Technique	Unobservable Input	Range (Weighted Average)
Traditional Guaranteed Investment Contract	$ 15,033,231	Discounted Cash Flow	Discount Rate	0.0611%
			Yield-based Interest Crediting Rate	3.1000%
			Yield on Earnings	2.7100%

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MARRIOTT INTERNATIONAL, INC. EMPLOYEES PROFIT SHARING,

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NOTES TO FINANCIAL STATEMENTS

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NOTE 5: GUARANTEED INVESTMENT CONTRACTS

The Master Trust is invested in certain investment contracts with banks and insurance companies. The investment manager of these investment contracts is T. Rowe Price.

The investment contracts for synthetic GICs are credited with earnings on the underlying investments and charged for Plan withdrawals and administrative expenses.

Traditional GICs are generally credited with a fixed rate of interest and not charged for administrative expenses. The Master Trust invests in both traditional GICs and synthetic GICs. The contracts are carried at contract value (which represents contributions made under the contract, plus earnings, less withdrawals and administrative expenses if applicable) because they are fully benefit-responsive. There are no reserves against contract value for credit risk of the contract issuer or otherwise.

The fair values for the traditional GICs have been estimated based on a discounted cash flow analysis. The estimated fair value is calculated based on the net present value of expected future payments, which include interest and a lump sum contract amount, discounted at a rate determined by the quality of the GICs and the average remaining life. This calculation is necessary, as traditional GICs are not actively traded investments for which a daily fair value is readily available.

The issuers of the traditional GICs are generally insurance companies. Where there are no underlying assets collateralizing the investment, the Master Trust s ultimate realization of amounts invested in traditional GICs is dependent on the continued financial stability of the issuers of the GICs.

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MARRIOTT INTERNATIONAL, INC. EMPLOYEES PROFIT SHARING,

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NOTE 5: GUARANTEED INVESTMENT CONTRACTS (Continued)

The Master Trust owns the assets underlying the synthetic GICs, which consist primarily of U.S. government securities, corporate debt obligations, and mortgage-backed and other asset-backed securities. Fair values of the underlying securities are determined by closing prices on the last business day of the year for those securities traded on national exchanges, at the average bid quotations for those securities traded in over-the-counter markets or at fair value as determined by the investment manager for securities for which there is not an established market. Synthetic GICs utilize a benefit-responsive wrapper contract issued by a financially responsible third party that provides market and cash flow risk protection to the Master Trust. The fair value of the wrap contracts for the synthetic GICs is determined using the market approach discounting methodology that incorporates the difference between current market level rates for contract level wrap fees and the wrap fee being charged. The difference is calculated as a dollar value and discounted by the prevailing interpolated swap rate as of period end.

Traditional GICs typically have fixed crediting interest rates. The synthetic GICs have crediting interest rates that reset, typically on a quarterly basis, based on a formula specified in the individual contracts. The minimum guaranteed rate is not less than 0%. The crediting rate is primarily based on the current yield-to-maturity of the covered investments, plus or minus amortization of the difference between the market value and contract value of the covered investments over the duration of the covered investments at the time of computation.

The crediting rate is most affected by the change in the annual effective yield to maturity of the underlying securities, but is also affected by the difference between the contract value and the market value of the covered investments. This difference is amortized over the duration of the covered investments. Depending on the change in duration from reset period to reset period, the magnitude of the impact to the crediting rate of the contract to market difference is heightened or lessened.

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DECEMBER 31, 2012 AND 2011

NOTE 5: GUARANTEED INVESTMENT CONTRACTS (Continued)

Certain events limit the ability of the Master Trust to transact at contract value with the issuer. Such events include the following: (i) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan) (ii) changes to the Plan s prohibition on competing investment options of deletion or equity wash provisions; (iii) bankruptcy of the Plan sponsor or other Plan sponsor events (e.g. divestitures or spin-offs of a subsidiary) which cause a significant withdrawal from the Plan or (iv) the failure of the Master Trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan administrator does not believe that the occurrence of any such event, which would limit the Plan s ability to transact at contract value with participants, is probable.

Generally, traditional GICs cannot be terminated by the issuer prior to maturity without cause. Synthetic GIC issuers retain the right to request release from the contract without cause. If this occurs, T. Rowe Price may seek a successor contract issuer or may require scheduled termination of the contract at book value over a period of time generally equal to the contract duration. Examples of events that would allow the Synthetic GIC contract issuer to request release and immediately terminate the contract at market value with cause would be an ERISA prohibited transaction, termination of disqualification of the Plan, violation of the Investment Guidelines that is not cured, manager failure to provide information such as portfolio reports required by the contract, failure of any contract holder representations in the contract, material misrepresentations, and termination of the manager without issuer consenting to the successor manager.

As described in Note 2, because the GICs and synthetic GICs are fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the GIC and synthetic GICs. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

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MARRIOTT INTERNATIONAL, INC. EMPLOYEES PROFIT SHARING,

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NOTES TO FINANCIAL STATEMENTS

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NOTE 5: GUARANTEED INVESTMENT CONTRACTS (Continued)

	2012	2011
Average yields for GICs and synthetic GICs:		
Based on actual earnings	2.71%	3.15%
Based on interest rate credited to participants	3.10%	3.57%

Effective February 22, 2013, the Plan ceased offering the Stable Value Fund option to participants. The Stable Value Fund was replaced by the Short-Term Bond Fund, equally managed by T. Rowe Price and Chicago Equity Partners. In addition to investing their Stable Value Fund balance in the Short-Term Bond Fund, participants also have the choice to reallocate their balance to any of the other fund options offered under the Plan.

Like the Stable Value Fund, the Short-Term Bond Fund is a conservative investment that holds short-term bonds and seeks to exceed money market fund returns. The Short-Term Bond Fund is also expected to have fewer trading restrictions relative to the Stable Value Fund.

The Short-Term Bond Fund will continue to seek to provide current income with minimal fluctuation in principal value. The average duration of the portfolio will generally be between one and three years.

NOTE 6: PARTY-IN-INTEREST

The Plan may, at the discretion of Plan participants, invest an unlimited amount of its assets in securities issued by the Company. The Plan held 13,905,438 and 14,182,187 shares of common stock of the Company as of December 31, 2012 and 2011, respectively. Dividends on Marriott International, Inc. common stock were $8,330,772 and $5,202,519 for the years ended December 31, 2012 and 2011, respectively.

NOTE 7: INCOME TAX STATUS

The Plan received a determination letter from the Internal Revenue Service (IRS), dated October 12, 2007, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code), and therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended, and has received a favorable determination letter date October 30, 2012.

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MARRIOTT INTERNATIONAL, INC. EMPLOYEES PROFIT SHARING,

RETIREMENT AND SAVINGS PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

NOTE 7: INCOME TAX STATUS (Continued)

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

NOTE 8: RISKS AND UNCERTAINTIES

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

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MARRIOTT INTERNATIONAL, INC. EMPLOYEES PROFIT SHARING,

RETIREMENT AND SAVINGS PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

NOTE 9: RECONCILIATION OF FINANCIAL STATEMENTS AND FORM 5500

The following is a reconciliation of net assets available for benefits as reported in the financial statements to the Form 5500:

	December 31	
	2012	**2011**
Net assets available for benefits as reported in financial statements at contract value	$ 3,805,067,388	$ 3,377,875,922
Distributions payable to terminated employees	(2,106,390)	(1,782,327)
Loans deemed as distribution for financial statements reporting purposes	5,330,079	
Net recoveries from prior year defaulted loans/(deemed distributions) during the year for Form 5500 purposes	496,270	
Adjustment from contract value to fair value for fully benefit-responsive investment contracts (synthetic investments contracts only)	43,651,752	37,915,523
Net assets available for benefits as reported in Form 5500	$ 3,852,439,099	$ 3,414,009,118

The following is a reconciliation of benefits paid to participants as reported in the financial statements to the Form 5500:

Benefits paid to participants as reported in the financial statements	$ 284,100,202
Amounts allocated to withdrawing participants at year-end	2,106,390
Amounts allocated to withdrawing participants at prior year-end	(1,782,327)
Loans deemed as distributions for financial statements reporting purposes	(5,330,079)
Net deemed distributions/(recoveries) during the year for Form 5500 purposes	(496,270)
Benefits paid to participants as reported in the Form 5500	$ 278,597,916

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MARRIOTT INTERNATIONAL, INC. EMPLOYEES PROFIT SHARING,

RETIREMENT AND SAVINGS PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

NOTE 9: RECONCILIATION OF FINANCIAL STATEMENTS AND FORM 5500 (Continued)

The following is a reconciliation of notes receivables from participants as reported in the financial statements to the Form 5500 for the year ended December 31, 2012:

	2012	2011
Notes receivable from participants per financial statements	$ 102,081,224	$ 99,870,388
Loans deemed as distributions for the purpose of financial statements	5,330,079	
Net (deemed distributions)/recoveries during the year for Form 5500 purposes	496,270	
Notes receivable from participants per Form 5500	$ 107,907,573	$ 99,870,388

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to year-end but not yet paid as of that date. The following is a reconciliation of the change in net assets available for benefits as reported in the financial statements to the Form 5500 for the year ended December 31, 2012:

Net increase in net assets available for benefits as reported in the financial statements	$ 427,191,466
Amounts allocated to withdrawing participants at year-end	(2,106,390)
Amounts allocated to withdrawing participants at prior year-end	1,782,327
Loans deemed as distribution for financial statements reporting purposes	5,330,079
Net (deemed distributions)/recoveries during the year for the Form 5500 purposes	496,270
Adjustment from contract value to fair value for fully benefit-responsive investment contracts at year-end (synthetic investment contracts only)	43,651,752
Adjustment from contract value to fair value for fully benefit-responsive investment contracts at prior year-end (synthetic investment contracts only)	(37,915,523)
Net increase in net assets available for benefits as reported in the Form 5500	$ 438,429,981

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MARRIOTT INTERNATIONAL, INC. EMPLOYEES PROFIT SHARING,

RETIREMENT AND SAVINGS PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

NOTE 9: RECONCILIATION OF FINANCIAL STATEMENTS AND FORM 5500 (Continued)

The accompanying financial statements present fully benefit-responsive contracts at contract value. The Form 5500 requires synthetic GIC fully benefit-responsive investment contracts to be reported at fair value. Therefore, the adjustment from fair value to contract value for synthetic GIC fully benefit-responsive investment contracts represents a reconciling item.

NOTE 10: SUBSEQUENT EVENT

The Plan has evaluated events subsequent to December 31, 2012 and through June 14, 2013, the date the financial statements were available to be issued, and determined that there were no events that require adjustments to or disclosure in these financial statements.

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SUPPLEMENTAL SCHEDULE

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MARRIOTT INTERNATIONAL, INC. EMPLOYEES PROFIT SHARING,

RETIREMENT AND SAVINGS PLAN AND TRUST

EIN: 52-2055918; Plan No.: 002

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

DECEMBER 31, 2012

Identity of Issue, Borrower, Lessor, or	Description of Investment Including Maturity Date,	Cost	Current Value
Notes receivable from Participants *	Interest rates range from 4.25% to 10.5%; varying maturities	$	$ 102,081,224

* Party-in-interest to the Plan

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrator of the Plan has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

MARRIOTT INTERNATIONAL, INC. EMPLOYEES PROFIT SHARING, RETIREMENT AND SAVINGS PLAN AND TRUST

Dated: June 14, 2013	/s/ Tracey Ballow Plan Administrator