

Data Transmittal Memorandum

Discrimination Testing

IRC Sections 125 and 129

Safe Harbor Test

Addressees

Addressee Number 1

Engager Name John Smith Enterprises ID P0001

Address PO Box 987

City Winston-Salem State NC ZIP 27103

Tel 888-999-9999 Fax 555-777-4444

E-Mail j.smith@att.rr.com Contact John Smith

Addressee Number 2

User Name Self-Funding Actuarial Services, Inc. ID E0001

Address 8025 North Point Blvd, Suite 207W

City Winston-Salem State NC ZIP 27106

Tel 336-759-2035 Fax 336-896-0392

E-Mail Harker2@earthlink.net Contact Carton Harker

Addressee Number 3

Employer Name Black and White Consultants ID R0001

Addressee 1841 Downtown Avenue
City Covington State LA ZIP 58108
Tel. 999-797-1109 Fax. 888-797-1079
E-Mail bblack@earthlin.net Contact Bill Black

Employer Data

Employer means the following:

Single Employer Advanced Marketing Services, Inc.

Multiple (Controlled/Affiliated) Employers NA

Valuation Data

Valuation Date 11/01/2011 Test Year 2011

Plan Data

Plan Name DCAP of Advanced Marketing Services DOL No. 649

Plan Description DCAP

Test Data

Eligibility Test Data

	<u>Total</u>	<u>Excludible</u>	<u>Non-Excludible</u>
Employees	<u>50</u>	<u>10</u>	<u>40</u>
Employees Eligible to Participate	<u>45</u>	<u>8</u>	<u>37</u>

Benefits *per se* Test Data

Did the Plan discriminate in favor of the prohibited class with respect to any of the following during the Plan Year?

Eligibility (probationary periods, e.g.)?	<u>No</u>
Benefits (includes optional benefits)?	<u>No</u>
Contributions (Employer of Participant)?	<u>No</u>
Tenure or compensation?	<u>No</u>

Potential for Discrimination

Were there any instances during the Test Year when the Plan Offered to any employee grouping any benefits or contributions that were different from those that were offered to another employee grouping where the potential of discrimination in favor of the highly compensated was present?

No

Benefits and Contributions Test Data

(Not Needed for FSA or POP)

Employees who are potentially in the highly compensated group
Include the (a) officers, (b) shareholders or (c) employees whose
Annual compensation exceeds \$110,00

<u>Employee ID</u>	<u>Officer</u>	<u>Share- Owner Percent</u>	<u>Annual Compensation</u>	<u>Qualified Benefits</u>	<u>Participant Contributions</u>
AD01	Yes	0%	80,000	4,000	0
AD10	No	0	140,000	2,000	0
AD20	No	9	120,000	3,000	0
AD30	No	8	40,000	0	0
AD43	Yes	0	100,000	6,000	0
Total			480,000	15,000	0

Paid Plan Qualified Benefits and Participant Contributions for the

Plan Period 10/01/2010 to 10/01/2011 are as follows:

Qualified Plan Benefits 50,000 Participant Contributions 0