THE KELLER MANUFACTURING COMPANY, INC.
AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
(Reviewed)

Year Ended December 31, 2010

CONTENTS

DMLO
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LIVESAY & OSTROFF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
The Keller Manufacturing Company, Inc. and Subsidiary
Louisville, Kentucky

We have reviewed the accompanying consolidated balance sheet of The Keller Manufacturing Company, Inc. and Subsidiary (a corporation) as of December 31, 2010, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Deming, Malone, Livesay & Ostroff

Louisville, Kentucky
August 17, 2011

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THE KELLER MANUFACTURING COMPANY, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET

December 31, 2010

See Independent Accountants' Review Report

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 970
Accounts receivable, less allowance for doubtful accounts of $6,821 and $8,242 in 2010 and 2009, respectively	420,909
Inventories	668,172
Prepaid expenses and other assets	103,081
Deferred income taxes	44,000
Total current assets	1,237,132
PROPERTY AND EQUIPMENT, NET	385,506
OTHER ASSETS	
Intangible asset, net of accumulated amortization	23,207
Goodwill	776,113
	799,320
Total assets	$ 2,421,958

See Notes to Consolidated Financial Statements.

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES	
Outstanding checks in excess of cash on deposit	$ 28,814
Line of credit	625,000
Accounts payable	496,279
Accrued expenses	142,452
Current maturities of notes payable	918,518
Total current liabilities	2,211,063
NOTES PAYABLE, less current maturities	373,028
DEFERRED INCOME TAX CREDIT	74,000
Total liabilites	2,658,091
STOCKHOLDERS' EQUITY	
Common stock, no par value; authorized, 40,000,000 shares; 5,172,077 shares issued and outstanding	540,320
Additional paid-in capital	37,395
Accumulated deficit	(736,310)
Noncontrolling interest in subsidiary	(77,538)
	(236,133)
Total liabilities and stockholders' equity	$ 2,421,958

THE KELLER MANUFACTURING COMPANY, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF INCOME

Year Ended December 31, 2010
See Independent Accountants' Review Report

Net sales	$ 3,489,894
Cost of goods sold	2,877,880
Gross profit	612,014
Selling, general and administrative expenses	871,147
Operating loss	(259,133)
Other expense, net	80,646
Net loss before income taxes and minority interest	(339,779)
Provision for income taxes	67,223
Net loss before minority interest	(407,002)
Minority interest in loss of consolidated subsidiary	55,405
Net loss	$ (351,597)

See Notes to Consolidated Financial Statements.

THE KELLER MANUFACTURING COMPANY, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Year Ended December 31, 2010

See Independent Accountants' Review Report

	Common Stock		Additional		Noncontrolling	Total
	Outstanding Shares	Amount	Paid-In Capital	Accumulated Deficit	Interest in Subsidiary	Stockholders' Equity
Balances at December 31, 2009, as previously stated	5,109,706	$ 530,964	$ 29,190	$ (409,972)	$ (57,434)	$ 92,748
Cumulative effect of correction of an error				25,259	47,410	72,669
Balances at December 31, 2009, as restated	5,109,706	530,964	29,190	(384,713)	(10,024)	165,417
Net loss				(351,597)	(55,405)	(407,002)
Stock warrants issued			16,937			16,937
Stock issuance	62,371	9,356	(8,732)			624
Dividends					(12,109)	(12,109)
Balances at December 31, 2010	5,172,077	$ 540,320	$ 37,395	$ (736,310)	$ (77,538)	$ (236,133)

See Notes to Consolidated Financial Statements.

THE KELLER MANUFACTURING COMPANY, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS

Years Ended December 31, 2010

See Independent Accountants' Review Report

Cash flows from operating activities:	
Cash received from customers	$ 3,510,645
Cash paid to suppliers and employees	(3,896,575)
Interest paid	(58,785)
Net cash used in operating activities	(444,715)
Cash flows from investing activities:	
Purchase of property and equipment	(71,504)
Cash flows from financing activities:	
Principal payments on notes payable	(103,265)
Proceeds from notes payable	610,000
Issuance of stock	624
Dividends paid	(12,109)
Net cash provided by financing activities	495,250
Net decrease in cash and cash equivalents	(20,969)
Cash and cash equivalents, beginning of year	21,939
Cash and cash equivalents, end of year	$ 970

THE KELLER MANUFACTURING COMPANY, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31, 2010

See Independent Accountants' Review Report

RECONCILIATION OF NET LOSS TO NET CASH USED IN OPERATING ACTIVITIES

Net loss	$ (351,597)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	69,048
Deferred income tax expense	67,223
Allowance for doubtful accounts	4,575
Change in minority interest	(55,405)
Noncash stock warrant expense	16,937
Changes in certain operating assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	20,751
Inventories	(178,753)
Prepaid expenses and other assets	(42,558)
Increase (decrease) in:	
Outstanding checks in excess of cash	28,814
Accounts payable	(60,278)
Accrued expenses	36,528
Total adjustments	(93,118)
Net cash used in operating activities	$ (444,715)

See Notes to Consolidated Financial Statements.

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of operations:

The consolidated financial statements include the accounts of The Keller Manufacturing Company, Inc. and its subsidiary, Paragon Door Designs, Inc. ("Paragon") (collectively referred to as the "Company"). All significant intercompany balances and transactions have been eliminated in consolidation.

The Company manufactures custom entry doors and storm doors for residential use. The Company primarily serves independent retailers and distributors located predominantly in the Midwest and northeast United States.

Summary of significant accounting policies:

This summary of significant accounting policies is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents:

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity date of three months or less to be cash equivalents.

Accounts receivable:

The Company's accounts receivable are due from customers for sales throughout the United States and credit is being extended in accordance with applicable sales terms and is on an unsecured basis.

The Company allows for estimated losses on accounts receivable based on prior bad debt experience and a review of existing receivables. Uncollectible accounts receivable are charged against the allowance account as realized.

Inventories:

Inventories are stated at the lower of cost (first-in, first-out) or market.

Property and equipment:

Property and equipment are recorded at cost. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. Depreciation expense for the year ended December 31, 2010 was $64,049.

Intangible asset:

The Company has a customer list which is being amortized on a straight-line basis over fifteen years. The Company expects amortization expense to be approximately $1,900 per year for each of the next five years.

Goodwill:

The Company has classified the excess of the purchase price of Paragon over the fair value of identifiable net assets acquired as goodwill. On an annual basis, the Company evaluates goodwill for any impairment and adjusts it to reflect any impairment losses. No such adjustment was required for 2010.

Stock-based compensation:

The Company has a stock-based compensation plan, which is described more fully in Note 8. The Company measures compensation expense using the intrinsic value-based method. Under the intrinsic-value-based method of accounting for stock option plans, compensation cost is the excess, if any, of the quoted market price of the stock at the grant date over the amount an employee must pay to acquire the stock.

Revenue and cost recognition:

Sales are recorded when goods are shipped. The Company provides for estimated customer returns and allowances by reducing sales in the period of the sale.

Shipping and handling costs:

Freight billed to customers is considered sales revenue and the related freight costs as a cost of sales.

Advertising:

Advertising is expensed when incurred. Advertising costs for the year ended December 31, 2010 was $91,359.

Income taxes:

The Company is taxed as a C Corporation under the Internal Revenue Code and applicable state and local statutes. Accordingly, the Company's consolidated financial statements include a tax provision as the Company is taxed on a portion of its taxable income under federal, state and local tax laws.

The Company accounts for income taxes on the liability method. This method requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the financial statements and tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates. The Company's deferred tax assets and liabilities primarily relate to operating losses that are available to offset future taxable income and differences between the basis of property and equipment for financial and income tax reporting. Valuation allowances are established to reduce the deferred tax assets to the amounts that will more likely than not be realized.

Certain transactions of the Company may be subject to accounting methods for federal income tax purposes which differ significantly from the accounting methods used in preparing the financial statements in accordance with generally accepted accounting principles. Accordingly, the net income of the Company reported for federal income tax purposes may differ from net income in these consolidated financial statements.

In 2009, the Company adopted new guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions in an enterprise's financial statements. Income tax positions must meet a more-likely-than-not recognition threshold to be recognized.

As of December 31, 2010, the Company did not have any accrued interest or penalties related to income tax liabilities, and no interest or penalties have been charged to operations for the year then ended. Tax years still open under federal, state and local statute of limitations remain subject to review and change.

Subsequent events:

Management has evaluated subsequent events through August 17, 2011, the date which the financial statements were available to be issued.

Note 2. Inventories

Inventory components at December 31, 2010 are:

Raw materials	$584,139
Finished goods	84,033
	$668,172

Note 3. Property and Equipment

A summary of property and equipment at December 31, 2010 is as follows:

Machinery and equipment	$ 245,101
Furniture and fixtures	10,428
Software	311,327
Leasehold improvements	19,854
Construction in progress	79,016
	665,726
Accumulated depreciation and amortization	(280,220)
	$ 385,506

Note 4. Line of Credit

The Company has a line of credit with its bank that has a maximum borrowing limit of $625,000. The line accrues interest at the prime rate plus 1% (4.25% at December 31, 2010).The line expires on December 31, 2011 and is collateralized by substantially all of the Company's assets. The outstanding balance on the line of credit was $625,000 at December 31, 2010.

Note 5. Notes Payable

Notes payable at December 31, 2010 consist of the following:

Note payable to a bank in quarterly installments of $14,057, including interest at 6.9%. The note matures on December 20, 2012 with a balloon payment of approximately $245,000 due at that time. The note is collateralized by substantially all assets of the Company and is guaranteed by certain stockholders.	$ 309,637
Note payable to a bank in monthly installments of $6,305, including interest, at the prime rate minus 1% (2.25% at December 31, 2010). The note matures June 3, 2013 with remaining principal and interest due at that time. The note is collateralized by substantially all assets of the Company and is guaranteed by certain stockholders.	171,909
Unsecured notes payable to stockholders due at various times during 2011. Interest accrues at the prime rate plus 1% (4.25% at December 31, 2010). $200,000 of the notes is subordinate to the bank debt.	810,000
	1,291,546
Less current maturities	918,518
	$ 373,028

Interest expense on the stockholder notes was $24,504 for the year ended December 31, 2010. The installment note above due on June 3, 2013 contains various covenants including financial covenants covering cash flow and debt to tangible net worth. The Company was either in compliance with these covenants or had received a waiver for noncompliance at December 31, 2010.

Future maturities of long-term debt are as follows:

Years ending December 31,	2011	$918,518
	2012	347,834
	2013	25,194
		$ 1,291,546

Note 6. Income Taxes

The components of deferred tax assets and liabilities at December 31, 2010 are as follows:

Deferred tax current assets:	
Allowances and accruals	$ 44,000
Deferred tax noncurrent assets:	
Net operating loss carryforwards	$ 9,808,000
Deferred tax noncurrent liabilities:	
Property and equipment basis	74,000
	9,882,000
Less valuation allowance	(9,808,000)
Net deferred tax noncurrent liability	$ 74,000

The Company has net operating loss carryforwards of approximately $24 million, of which the majority will expire in 2023 through 2026.

At December 31, 2010, the Company recorded a valuation allowance of $9,808,000 against the net deferred tax noncurrent asset because of uncertainty surrounding the usage of carryforwards.

Note 7. Retirement Plan

Paragon has a profit sharing plan which covers employees who have completed one year of service. Company contributions are determined annually at the discretion of the Company. No contributions were made to the profit sharing plan for the year ended December 31, 2010.

Note 8. Stock Options and Warrants

In August 2003, the Board of Directors approved The Keller Manufacturing Company, Inc. Amended and Restated 2003 Stock Option Plan. Under the terms of the plan, the Company is authorized to grant options of common shares to certain key management employees. In addition, warrants were issued in connection with the guarantee of the line of credit during 2006. Warrants were also issued in connection with the guarantee of notes payable during 2007 and 2008. During 2010, the Company recorded $16,937 of stock warrant expense for warrants issued for the guarantee of notes payable. This amount represents the fair value of stock warrants earned during the year. The Company received $624 in cash from the exercise of certain warrants.

The following is a summary of the option and warrant transactions under the plan:

	Shares	Weighted Average Exercise Price Per Share
Balance at December 31, 2009	464,750	0.23
Granted	120,981	.14
Exercised	(62,371)	.14
Cancelled	(10,000)	
Balance at December 31, 2010	513,360	0.22

The Black-Scholes option pricing model was used to estimate fair value of the options/warrants as of the date of grant, using the following assumptions:

Weighted average fair value of options/warrants granted	$ 0.14
Dividend yield	-
Risk free interest rate	5.00%
Volatility	32.00%
Expected option term (years)	10

Note 9. Lease Commitments

The Company has entered into various operating leases including warehouse/production space, truck, and copier lease agreements. Total lease expense was approximately $99,000 for 2010.

Future minimum lease payments under these operating leases are as follows:

Years ending December 31:	
2011	$107,863
2012	48,899
2013	20,778
2014	19,308
2015	17,699
	$214,547

Note 10. Subsequent Events

Subsequent to year end, the Company received an additional $200,000 of shareholder loans at the prime rate plus 1%. These notes were subordinate to the bank debt. Additionally, the shareholder loans at December 31, 2010 that were not subordinate to the bank debt were made subordinate to the bank debt in March 2011.

Note 11. Prior Period Adjustment

The accumulated deficit and noncontrolling interest in subsidiary at the beginning of 2010 have been adjusted for a correction of an error in valuing the noncontrolling interest. The cumulative effect of the error reduces the accumulated deficit by $25,259; reduces the negative noncontrolling interest by $47,410 and increases goodwill by $72,669.

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CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT ACCOUNTANTS' REVIEW REPORT
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors
The Keller Manufacturing Company, Inc. and Subsidiary
Louisville, Kentucky

Our report on our review of the basic consolidated financial statements of The Keller Manufacturing Company, Inc. and Subsidiary for 2010 appears on page 1. That review was made for expressing a conclusion that there are no material modifications that should be made to the consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The information included on pages 17 and 18 is presented only for purposes of additional analysis and has been subjected to the inquiry and analytical procedures applied in the review of the basic consolidated financial statements and we are not aware of any material modifications that should be made thereto.

Deming, Malone, Livesay & Ostroff

Louisville, Kentucky
August 17, 2011

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THE KELLER MANUFACTURING COMPANY, INC. AND SUBSIDIARY

CONSOLIDATING BALANCE SHEET

December 31, 2010
See Independent Accountants' Review Report
on the Supplementary Information

ASSETS	The Keller Manufacturing Company, Inc.	Paragon Door Designs, Inc.	Eliminations	Consolidated Totals
CURRENT ASSETS				
Cash and cash equivalents	$ 770	$ 200		$ 970
Accounts receivable, net		420,909		420,909
Receivable from related party		94,027	$ (94,027)	
Inventories		668,172		668,172
Prepaid expenses and other assets		103,081		103,081
Deferred income tax benefit		44,000		44,000
Total current assets	770	1,330,389	(94,027)	1,237,132
PROPERTY AND EQUIPMENT				
Machinery and equipment		556,428		556,428
Leasehold improvements		19,854		19,854
Furtniture and fixtures		10,428		10,428
Project under construction		79,016		79,016
		665,726		665,726
Less accumulated depreciation		(280,220)		(280,220)
		385,506		385,506
OTHER ASSETS				
Intangible asset, net		23,207		23,207
Investment in subsidiary	318,471		(318,471)	
Goodwill			776,113	776,113
	318,471	23,207	457,642	799,320
Total assets	$ 319,241	$ 1,739,102	$ 363,615	$ 2,421,958

LIABILITIES AND STOCKHOLDERS' EQUITY	The Keller Manufacturing Company, Inc	Paragon Door Designs, Inc.	Eliminations	Consolidated Totals
CURRENT LIABILITIES				
Outstanding checks in excess of cash on deposit		$ 28,814		$ 28,814
Line of credit		625,000		625,000
Accounts payable	$ 3,869	492,410		496,279
Accrued expenses		142,452		142,452
Payable to related party	94,027		$ (94,027)	
Current maturities of notes payable	35,985	882,533		918,518
Total current liabilities	133,881	2,171,209	(94,027)	2,211,063
NOTES PAYABLE, less current maturities	273,652	99,376		373,028
DEFERRED INCOME TAX CREDIT		74,000		74,000
Total liabilities	407,533	2,344,585	(94,027)	2,658,091
STOCKHOLDERS' EQUITY				
Common stock	540,320	48,301	(48,301)	540,320
Additional paid-in capital	37,395	748,137	(748,137)	37,395
Accumulated deficit	(666,007)	(1,401,921)	1,331,618	(736,310)
Noncontrolling interest in subsidiary			(77,538)	(77,538)
Total stockholders' equity	(88,292)	(605,483)	457,642	(236,133)
Total liabilities and stockholders' equity	$ 319,241	$ 1,739,102	$ 363,615	$ 2,421,958

THE KELLER MANUFACTURING COMPANY, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF INCOME

Year Ended December 31, 2010
See Independent Accountants' Review Report
on the Supplementary Information

	The Keller Manufacturing Company, inc	Paragon Door Designs, Inc.	Eliminations	Consolidated Totals
Net sales		$ 3,489,894		$ 3,489,894
Cost of goods sold		2,877,880		2,877,880
Gross profit		612,014		612,014
Selling, general and administrative expense	$ 39,600	831,547		871,147
Operating loss	(39,600)	(219,533)		(259,133)
Equity in loss of consolidated subsidiary	288,085		$ (288,085)	
Other expense, net	23,912	56,734		80,646
Net loss before income taxes and minority interest	(351,597)	(276,267)	288,085	(339,779)
Provision for income taxes		67,223		67,223
Net loss before minority interest	(351,597)	(343,490)	288,085	(407,002)
Minority interest in loss of consolidated subsidiary			55,405	55,405
Net loss	$ (351,597)	$ (343,490)	$ 343,490	$ (351,597)