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January 4, 2011

ERISA/PUBLIC DISCLOSURE

2011 JAN 10 PM 3:40

Top Hat Plan Exemption
Pension and Welfare Benefits Administration
Room N-1513
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

RE: The Sherman Engineering Company Stock Appreciation Rights Plan

To Whom It May Concern:

Pursuant to Reg. Section 2520.104-23, The Sherman Engineering Company hereby files the following statement to establish an alternative method of compliance with the reporting and disclosure requirements of Part 1 of Title 1 of the Employee Retirement Income Security Act of 1974, as amended, with respect to the above unfunded Plan:

1. Name and address of Employer:

The Sherman Engineering Company
3679 Old Easton Road
Doylestown, PA 18902

2. Employer Identification Number of Employer:

23-1080070

3. The Sherman Engineering Company adopted The Sherman Engineering Company Stock Appreciation Rights Plan on January 4, 2011. The Stock Appreciation Rights Plan covers four participants. The Sherman Engineering Company does not maintain any other plan for the purpose of providing deferred compensation for a select group of management or highly compensated employees

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If you have any questions or need any further information, please contact the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Charles P. S. [unclear]". The signature is written in a cursive style with a large initial "C" and a distinct "P".