

**KAUFMAN & CANOLES**  
attorneys at law

EBSA/PUBLIC DISCLOSURE

2011 MAR 15 PM 12:06

Kaufman & Canoles, P.C.  
150 West Main Street  
Suite 2100  
Norfolk, VA 23510

*Mailing Address*  
Post Office Box 3037  
Norfolk, VA 23514

T (757) 624.3000  
F (757) 624.3169

kaufCAN.com

Richard C. Mapp III  
(757) 624.3285  
rcmapp@kaufcan.com

March 7, 2011

U.S. Department of Labor  
Employee Benefits Security Administration  
Room N-1513  
200 Constitution Avenue NW  
Washington, DC 20210

**Re: Kaufman & Canoles, P.C.  
Deferred Compensation under Employment Agreement for  
Timothy O. Trant and Drew S. Reiferson  
Our Matter No. 98798**

To the Secretary of Labor:

In order to comply with the requirements of the alternative reporting and disclosure method under the Employee Retirement Income Security Act of 1974 ("ERISA"), Title I, Part 1, as provided for an unfunded or insured deferred compensation plan for a select group of management or highly compensated employees in Department of Labor Regulations § 2520.104-23, the following information is provided by the undersigned Plan Administrator:

1. The name of the employer is: Kaufman & Canoles, P.C.
2. The mailing address of the employer is:  
  
Post Office Box 3037  
Norfolk, VA 23514-3037
3. The employer's federal identification number (EIN) is: 54-1186543
4. The number of plans and the number of participants in each plan is:  
  
Two (2) plans, each covering one (1) employee.
5. Attached are copies of the front page of the Master Employment/Shareholder Agreement and Stock Purchase Plan dated December 31, 1993, Amendment thereto dated November 4, 2001, and the individual executed Schedule A thereto for each

---

*Disclosure Required by Internal Revenue Service Circular 230: This communication is not a tax opinion. To the extent it contains tax advice, it is not intended or written by the practitioner to be used, and it cannot be used by the taxpayer, for the purpose of avoiding tax penalties that may be imposed on the taxpayer by the Internal Revenue Service.*

U.S. Department of Labor  
Employee Benefits Security Administration  
March 7, 2011  
Page 2

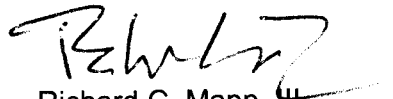
employee. The date the subject individuals signed an agreement subject to Title I of ERISA was February 24, 2011.

The employer will send a copy of all Plan documents and agreements to the Secretary, upon request.

6. The above-named employer maintains this plan primarily for the purpose of providing deferred compensation benefits to a select group of management or highly compensated employees.

If you have any questions, please contact me at the above Norfolk address.

Very truly yours,



Richard C. Mapp, III  
For the Plan Administrator

RCM/cmw  
Enclosures

cc: John A. Lynn, Director of Administration

DOCSNFK-#1727247-v1

**SCHEDULE A**

**DECLARATION**

This Declaration is made by the undersigned pursuant to clause (i) of paragraph 1(b) of that certain Master Employment/Shareholder Agreement and Stock Purchase Plan dated as of December 31, 1993 (the "Master Agreement"), by and among Kaufman & Canoles, P.C. (the "Firm") and the other parties named therein (the "Members"). All capitalized terms used herein shall, unless otherwise defined herein, have the respective meanings assigned to them in the Master Agreement.

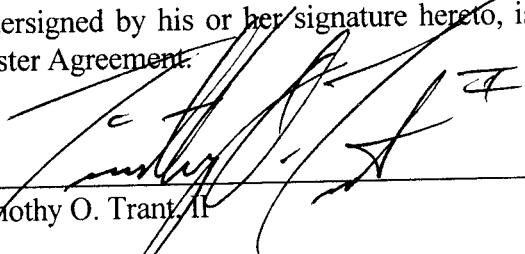
The undersigned and the Firm agree that the Master Agreement is amended by the following provision:

1. The amount of Additional Capital Contribution to be paid by the Member as required by Paragraph 2 is increased from \$30,000 to \$55,000 and consecutive annual payments are increased from 12 to 14.

2. Paragraph 11 Termination of Employment (a) Termination By the Firm is replaced by the amended wording adopted November 4, 2001 by the Shareholders. The amendment includes changing the approval percentage from at least 90% to at least 80% of all holders of the then issued and outstanding stock.

The undersigned, in consideration of and as an inducement to the Firm's issuance to the undersigned of the Shares and for other valuable consideration, the receipt of which is hereby acknowledged, hereby certifies and declares that the undersigned has read the Master Agreement, accepts and undertakes the obligations of a Member thereunder and agrees to be fully bound thereby. The undersigned acknowledges that acceptance of this Master Employment/Shareholder Agreement supersedes the Salaried Member Agreement that the undersigned had with he Firm and further agrees that such Agreement is no longer in effect.

The Firm, in consideration of the undersigned's purchase of the Shares and for other valuable consideration, the receipt of which is hereby acknowledged, for itself and on behalf of the other Members, hereby joins in this Declaration for the purpose of acknowledging that the undersigned by his or her signature hereto, is entitled to all of the rights of a Member under the Master Agreement.

  
\_\_\_\_\_  
Timothy O. Trant, II

2/24/2011  
Date

ACKNOWLEDGED:

KAUFMAN & CANOLES, P.C.

By   
\_\_\_\_\_  
Chairman

SCHEDULE A

DECLARATION

This Declaration is made by the undersigned pursuant to clause (i) of paragraph 1(b) of that certain Master Employment/Shareholder Agreement and Stock Purchase Plan dated as of December 31, 1993 (the "Master Agreement"), by and among Kaufman & Canoles, P.C. (the "Firm") and the other parties named therein (the "Members"). All capitalized terms used herein shall, unless otherwise defined herein, have the respective meanings assigned to them in the Master Agreement.


The undersigned and the Firm agree that the Master Agreement is amended by the following provision:

1. The amount of Additional Capital Contribution to be paid by the Member as required by Paragraph 2 is increased from \$30,000 to \$55,000 and consecutive annual payments are increased from 12 to 14.

2. Paragraph 11 Termination of Employment (a) Termination By the Firm is replaced by the amended wording adopted November 4, 2001 by the Shareholders. The amendment includes changing the approval percentage from at least 90% to at least 80% of all holders of the then issued and outstanding stock.

The undersigned, in consideration of and as an inducement to the Firm's issuance to the undersigned of the Shares and for other valuable consideration, the receipt of which is hereby acknowledged, hereby certifies and declares that the undersigned has read the Master Agreement, accepts and undertakes the obligations of a Member thereunder and agrees to be fully bound thereby. The undersigned acknowledges that acceptance of this Master Employment/Shareholder Agreement supersedes the Salaried Member Agreement that the undersigned had with he Firm and further agrees that such Agreement is no longer in effect.


The Firm, in consideration of the undersigned's purchase of the Shares and for other valuable consideration, the receipt of which is hereby acknowledged, for itself and on behalf of the other Members, hereby joins in this Declaration for the purpose of acknowledging that the undersigned by his or her signature hereto, is entitled to all of the rights of a Member under the Master Agreement.

  
Drew S. Reiferson

2-24-11  
Date

ACKNOWLEDGED:

KAUFMAN & CANOLES, P.C.

By   
Chairman

THIS AMENDMENT (the "Amendment") to Master Employment/Shareholder Agreement and Stock Purchase Plan of Kaufman & Canoles, P.C., dated as of 4th day of November, 2001 by and among KAUFMAN & CANOLES, a Virginia professional corporation (the "Firm") and each of the persons whose signatures appear below (each, a "Consenting Member", and collectively, the "Consenting Members").

#### RECITALS:

A. The Firm is a professional corporation organized under Chapter 7 of Title 13.1 of the Code of Virginia, 1950, as amended. Each Consenting Member is employed by the Firm and owns and holds of record two (2) shares of the common stock of the Firm, no par value (the "Stock").

B. The Firm and the Consenting Members are parties to a certain Master Employment/Shareholder Agreement and Stock Purchase Plan dated as of December 31, 1993 (the "Master Agreement").

C. The Firm and the Consenting Members desire to amend certain provisions of the Master Agreement with respect to the termination of a Member's employment by the Firm.

D. In accordance with the provisions of subparagraph 1(c) of the Master Agreement, the amendments to the Master Agreement set forth herein shall be effective upon the execution hereof by the Firm and by Consenting Members holding at least 90% of the issued and outstanding shares of Stock as of the date hereof. As of the date hereof, ninety-eight (98) shares of the Stock are issued and outstanding.

NOW, THEREFORE, in consideration of the covenants set forth herein and for other valuable consideration, the receipt of which is hereby acknowledged, the Firm and each Member hereby agree as follows:

1. Definitions. Except as otherwise defined herein, all capitalized terms used in this Agreement shall have the same meanings given to them, respectively, in the Master Agreement.

2. Termination by the Firm. Subparagraph 11(a) of the Master Agreement is hereby amended to read in its entirety as follows:

(a) Termination By The Firm. The Firm may terminate a Member's employment by the Firm, with or without cause, if such termination has been approved by the affirmative vote or written consent of the holders of at least 80 percent of all the then issued and outstanding Stock, by giving the Member written notice thereof, stating the date of such termination, at least 60 days prior to such termination date. Notwithstanding the foregoing, the Firm shall have the right to suspend a Member's employment, with pay, for a period not to exceed thirty (30) days pending the meeting of the stockholders at which the vote on such Member's termination will be conducted, should the Executive Committee of the

THIS MASTER EMPLOYMENT/SHAREHOLDER AGREEMENT AND STOCK PURCHASE PLAN dated as of the 31st day of December, 1993, by and among KAUFMAN & CANOLES, P.C., a Virginia corporation (the "Firm") and each of the persons whose signatures appear below (each, a "Member," and collectively, the "Members").

### RECITALS

The Firm is a professional corporation organized under Chapter 7 of Title 13.1 of the Code of Virginia, 1950, as amended, to engage in the practice of law. Each Member is employed by the Firm and owns and holds of record two shares (the "Shares") of common stock of the Firm of no par value (the "Stock"). The Firm and the Members desire to consolidate, amend and restate the terms of all existing employment, shareholder, stock purchase, stock redemption and similar agreements, arrangements or plans (including, without limitation, (i) the individual Agreements, dated as of December 7, 1987, between the Firm and each of the Members who were Members on such date, and (ii) the individual Agreements of like tenor, dated as of various dates, between the Firm and each of the Members who became Members after December 7, 1987 and (iii) the Employees' Stock Purchase Plan approved and adopted by the Board of Directors of the Firm on December 7, 1987) (collectively, the "Existing Agreements").

NOW, THEREFORE, in consideration of the covenants set forth herein and for other valuable consideration, the receipt of which is hereby acknowledged, the Firm and each Member hereby agree as follows:

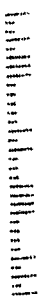
1. Existing Agreements; Master Agreement; Amendments to Master Agreement.

(a) The Existing Agreements are hereby consolidated, amended and restated in their entirety by

**KAUFMAN & CANOLES**  
attorneys at law

RCM/98798

U.S. Department of Labor  
Employee Benefits Security Administration  
Room N-1513  
200 Constitution Avenue NW  
Washington, DC 20210



**\$0.610**  
U.S. POSTAGE  
FIRST-CLASS  
06250007553629  
23510