

HC2 HOLDINGS, INC.
Form SC 13G
November 30, 2018
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No.)*

HC2 Holdings, Inc.
(Name of Issuer)

Common Stock, \$0.001 par value
(Title of Class of Securities)

404139107
(CUSIP Number)

November 20, 2018
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 404139107

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Whitebox Advisors LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a)
(b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

2,739,725

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

2,739,725

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,739,725

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.8%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

12.

IA

CUSIP No. 404139107

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Whitebox General Partner LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a)
(b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

2,739,725

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

2,739,725

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,739,725

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.8%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

12.

OO

CUSIP No. 404139107

Item 1. (a). Name of Issuer:

HC2 Holdings, Inc.

(b). Address of issuer's principal executive offices:

450 Park Avenue, 30th Floor

New York, NY 10022

Item 2. (a). Name of
person filing:

This statement
is filed by:

(i) Whitebox
Advisors
LLC, a
Delaware
limited
liability
company
("WA");

(ii) Whitebox
General
Partner
LLC, a
Delaware
limited
liability
company
("WGP").

(b). Address or principal business office or, if none, residence:

The address of the business office of WA and WGP is:

3033 Excelsior Boulevard

Suite 300

Minneapolis, MN 55416

(c).Citizenship:

WA and WGP are organized under the laws of the State of Delaware.

(d). Title of class of securities:

Common Stock, \$0.001 par value

(e).CUSIP No.:

404139107

Item 3. If This Statement is filed pursuant to §§.240.13d-1(b) or 240.13d-2(b), or (c), check whether the person filing is a

(a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).

(b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).

(c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).

(d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).

(e) An investment adviser in accordance with § 240.13d-1(b)(1)(ii)(E);

(f) An employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F);

(g) A parent holding company or control person in accordance with §240.13d-1(b)(1)(ii)(G);

(h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C.1813);

(i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);

(j) A non-U.S. institution in accordance with §240.13d-1(b)(1)(ii)(J);

(k) Group, in accordance with §240.13d-1(b)(1)(ii)(K). If filing as a non-U.S. institution in accordance with §240.13d-1(b)(1)(ii)(J), please specify the type of institution:

CUSIP No. 404139107

Item 4. Ownership.

(a) Amount beneficially owned:

WA is deemed to be the beneficial owner of 2,739,725 shares of Common Stock, \$0.001 par value ("Common Stock") issuable upon the exercise of 7.5% Convertible Senior Notes due 2022 ("Convertible Notes") of the Issuer and deemed outstanding for purposes of calculating WA's beneficial ownership.

WGP is deemed to be the beneficial owner of 2,739,725 shares of Common Stock issuable upon the exercise of Convertible Notes of the Issuer and deemed outstanding for purposes of calculating WGP's beneficial ownership.

(b) Percent of class:

WA is deemed to beneficially own 5.8% of the Issuer's Common Stock.

WGP is deemed to beneficially own 5.8% of the Issuer's Common Stock.

Percent of class is calculated based on 44,774,936 shares of Common Stock outstanding as of October 31, 2018 as reported in the Issuer's Form 10-Q filed on November 6, 2018 and 2,739,725 additional shares of Common Stock issuable upon the exercise of Convertible Notes to purchase shares of Common Stock and deemed outstanding for purposes of calculating the Reporting Persons' beneficial ownership.

(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote 0

(ii) Shared power to vote or to direct the vote

WA has shared voting power with respect to 2,739,725 shares of the Issuer's Common Stock.

WGP has shared voting power with respect to 2,739,725 shares of the Issuer's Common Stock.

(iii) Sole power to dispose or to direct the disposition of 0

(iv) Shared power to dispose or to direct the disposition of

WA has shared power to dispose with respect to 2,739,725 shares of the Issuer's Common Stock.

WGP has shared power to dispose with respect to 2,739,725 shares of the Issuer's Common Stock.

Instruction: For computations regarding securities which represent a right to acquire an underlying security see §240.13d-3(d)(1).

Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following *.

Instruction: Dissolution of a group requires a response to this item.

Item 6. Ownership of More Than Five Percent on Behalf of Another Person.

All of the shares of Common Stock reported in this Schedule 13G are held in the accounts of WA's clients, none of which individually owns more than 5% of the Common Stock.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.

Not Applicable

Item 8. Identification and Classification of Members of the Group.

Not Applicable

Item 9. Notice of Dissolution of Group.

Not Applicable

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect, other than activities solely in connection with a nomination under § 240.14a-11.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

November 30, 2018
(Date)

WHITEBOX ADVISORS LLC

/s/ Mark Strefling
(Signature)

Mark Strefling

Chief Executive Officer
(Name/Title)

November 30, 2018
(Date)

WHITEBOX GENERAL PARTNER LLC

/s/ Mark Strefling
(Signature)

Mark Strefling

Chief Executive Officer
(Name/Title)

The original statement shall be signed by each person on whose behalf the statement is filed or his authorized representative. If the statement is signed on behalf of a person by his authorized representative other than an executive officer or general partner of the filing person, evidence of the representative's authority to sign on behalf of such person shall be filed with the statement, provided, however, that a power of attorney for this purpose which is already on file with the Commission may be incorporated by reference. The name and any title of each person who signs the statement shall be typed or printed beneath his signature.

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Note. Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See s.240.13d-7 for other parties for whom copies are to be sent.

Attention. Intentional misstatements or omissions of fact constitute Federal criminal violations (see 18 U.S.C. 1001).

Exhibit A

AGREEMENT

Each of the undersigned hereby consents and agrees to this joint filing to Schedule 13G for the Common Stock of HC2 Holdings, Inc.

November 30, 2018
(Date)

WHITEBOX ADVISORS LLC

/s/ Mark Strefling
(Signature)

Mark Strefling

Chief Executive Officer
(Name/Title)

November 30, 2018
(Date)

WHITEBOX GENERAL PARTNER LLC

/s/ Mark Strefling
(Signature)

Mark Strefling

Chief Executive Officer
(Name/Title)

Deductions:

Administrative fees

3,593

3,833

Benefits paid to participants

5,121,537

4,166,929

Total deductions

5,125,130

4,170,762

Change in net assets available for plan benefits

12,543,475

12,509,068

Net assets available for plan benefits, beginning of year

62,376,133

49,867,065

Net assets available for plan benefits, end of year

\$

74,919,608

\$

62,376,133

The accompanying notes to financial statements
are an integral part of these statements.

TWIN DISC, INCORPORATED – THE ACCELERATOR 401(k) SAVINGS PLAN
Racine, Wisconsin

Notes to Financial Statements
December 31, 2010 and 2009

1. Basis of Presentation and Significant Accounting Policies

General

The following brief description of the Twin Disc, Incorporated – The Accelerator 401(k) Savings Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the plan agreement for a complete description of the Plan’s provisions. The Plan, established April 1, 1986, is a defined-contribution plan covering substantially all Twin Disc, Incorporated (the “Company”) domestic employees and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Eligibility

An employee of the Company is eligible for plan participation after completing two months of employment.

Contributions

Participants may elect to contribute on a pre-tax basis up to 100% of annual gross income with contributions limited under provisions of the Internal Revenue Code.

For participants who are employed by Twin Disc, Inc., the Company contributes an amount equal to a percentage of each participant’s 401(k) contributions, up to 6% of compensation. The contribution percentages for the years ended December 31, 2010 and 2009 was 50%. For participants who are employed by the Twin Disc South East subsidiary, the Company contributes a matching contribution equal to 25% of each participant’s 401(k) contributions, up to 6% of compensation, and a profit sharing contribution equal to 2.5% of each participant’s compensation. The Internal Revenue Code has set a maximum of \$16,500 for tax-deferred contributions that may be excluded for any individual participant in 2010 and 2009, respectively. The Internal Revenue Code also allows additional catch-up contributions for participants age fifty and over. The maximum additional contribution allowed was \$5,500 in 2010 and 2009, respectively. No federal income tax is paid on the tax-deferred contributions and growth thereon until the participant withdraws them from the Plan.

The Plan enables participants to allocate their contributions and account balances among various investment options offered by the Plan. Assets of the Plan are segregated and invested based upon the total allocation of the participants’ accounts. Participants may direct such allocations in any whole percentage increment and allocations can be changed at any time.

The Plan also allows Roth after-tax employee contributions. Roth contributions are made by employees with after-tax dollars. Federal income tax is paid on the Roth contributions when made to the Plan. A qualified distribution from the Roth component, including any earnings received from the investment of Roth contributions, is tax-free to the participant if taken five years after the year of the first Roth contribution and if the participant has reached the age of 59½, become totally disabled, or is deceased. If the distribution is not qualified, any withdrawal from the account will be partially taxable to the participant.

Vesting

Participants are immediately 100% vested in their individual account balances.

TWIN DISC, INCORPORATED – THE ACCELERATOR 401(k) SAVINGS PLAN
Racine, Wisconsin

Notes to Financial Statements
December 31, 2010 and 2009
(Continued)

1. Basis of Presentation and Significant Accounting Policies (Continued)

Withdrawals

After-tax contributions may be withdrawn at any time upon receipt of written notice by the Trustee. Pre-tax contributions may only be withdrawn, prior to employment termination, in the event of severe financial hardship or once annually upon attainment of age 59½. A final distribution is paid to the participant upon termination of employment with the Company. Final distributions in excess of \$5,000 may be deferred as elected by the participant until age 70½.

Participant Accounts

The Trustee of the Plan is T. Rowe Price Trust Company, and the recordkeeping services for the Plan are provided by T. Rowe Price Retirement Plan Services, Inc. (“T. Rowe Price”). T. Rowe Price maintains individual accounts for each participant for their respective investment in each of twenty-four available investment funds. For all investment programs which are mutual funds or collective trust funds, participant balances are maintained on a share or unit method, as appropriate. Participant investments in the Twin Disc, Inc. Stock were accounted for on a share method. Shares and share values as of December 31, 2010 and 2009 were as follows:

	Shares December 31,		Share Value December 31,	
	2010	2009	2010	2009
Twin Disc, Inc. Stock	355,087	347,427	\$29.86	\$10.44

Participant Loans

Participants may be granted a loan against their individual account balance limited to the lesser of \$50,000 or 50% of the account balance. Loans are granted in a uniform and nondiscriminatory manner based on the loan policy as set forth by the Benefits Committee. The loan proceeds are made pro-rata from the investment elections of the participant. Each participant's individual account and the interest and principal paid on the loan shall be credited only to such participant's account balance. Any such loan shall be repaid over a period not exceeding five years unless the loan is used to purchase a principal residence, in which case the loan shall be repaid over a period not exceeding fifteen years.

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent loans are treated as distributions based upon the terms of the plan document.

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Administrative Expenses

Certain administrative expenses of the Plan are paid by the Company at its discretion. The remaining administrative expenses are paid by the Plan.

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TWIN DISC, INCORPORATED – THE ACCELERATOR 401(k) SAVINGS PLAN
Racine, Wisconsin

Notes to Financial Statements
December 31, 2010 and 2009
(Continued)

1. Basis of Presentation and Significant Accounting Policies (Continued)

Benefit Payments

Benefits are recorded when paid.

Investment Valuation

Investments of the Plan are stated at fair value. The values of investments in mutual funds and common stocks are determined by the last reported market price on the last business day of the year. Investments in collective trust funds, other than the T. Rowe Price Stable Value Common Trust Fund (see below), are valued at redemption prices established by the trustee of the funds based on the quoted market prices of the underlying investments. Participant loans are valued at cost which approximates fair value. The Plan presents, in the statement of changes in net assets, the net appreciation in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation on those investments. Purchases and sales of investments are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest is recognized when earned.

The fair value of the T. Rowe Price Stable Value Common Trust Fund is determined by T. Rowe Price Retirement Plan Services, Inc. The collective trust fund invests in short-term and long-term conventional and synthetic investment contracts issued by insurance companies and other institutions that meet the high credit quality standards established by T. Rowe Price. There is an adjustment made on the Statements of Net Assets Available for Benefits to adjust the investment contracts from fair value to contract value (which represents contributions received, plus interest, less plan withdrawals).

In accordance with accounting principles generally accepted in the United States of America, investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. Accordingly, the Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Investments are recorded at fair value in accordance with accounting principles generally accepted in the United States of America, which discuss acceptable valuation techniques and inputs to these techniques. These inputs are assumptions market participants use in pricing investments. Accounting principles generally accepted in the United States of America establish a fair value hierarchy that prioritizes the inputs, which are summarized as follows:

Level 1 Inputs – Quoted prices in active markets, e.g. NYSE, NASDAQ, etc. for assets identical to the securities to be valued. If Level 1 input is available, it must be used.

Level 2 Inputs – Inputs other than quoted prices that are observable for securities, either directly or indirectly. Examples include matrix pricing utilizing yield curves, prepayment speeds, credit risk, etc.; quoted prices for similar assets in active markets; and inputs derived from observable market data by correlation or other means.

TWIN DISC, INCORPORATED – THE ACCELERATOR 401(k) SAVINGS PLAN
Racine, Wisconsin

Notes to Financial Statements
December 31, 2010 and 2009
(Continued)

1. Basis of Presentation and Significant Accounting Policies (Continued)

Investment Valuation (continued)

Level 3 Inputs – Unobservable inputs, which contain assumptions by the party valuing those assets. For level 3 inputs, there is no market data or correlation with market assumptions. Examples would include limited partnership interests, closely held stock, etc.

Subsequent Events

Management of the Plan has evaluated subsequent events through the date the financial statements are issued for possible inclusion as a disclosure in the notes to the financial statements. The Plan has no subsequent events that require disclosure in the notes to the financial statements.

2. Investments

The following presents investments that represent 5 % or more of the Plan’s net assets:

	December 31,	
	2010	2009
Dodge & Cox Balanced Fund	\$ 3,756,527	\$ 3,604,848
Pimco Total Return Fund	6,178,316	6,271,817
T. Rowe Price Growth Stock Fund	11,166,558	10,327,815
T. Rowe Price Mid Cap Value Fund	8,552,727	8,215,265
T. Rowe Price Stable Value Common Trust Fund	13,146,022	14,095,425
Twin Disc , Inc. – Common Stock	10,602,891	3,627,137

During 2010 and 2009, the Plan’s investments (including gains and losses on investments bought and sold as well as held during the year) appreciated in value by \$12,715,990 and \$11,733,142, respectively, as follows:

	December 31,	
	2010	2009
Equity securities:		
US	\$ 12,561,288	\$ 11,139,906
International	107,883	223,501
Fixed income	46,819	364,949
Common and collective trusts	--	4,786
Total appreciation	\$ 12,715,990	\$ 11,733,142

TWIN DISC, INCORPORATED – THE ACCELERATOR 401(k) SAVINGS PLAN
Racine, Wisconsin

Notes to Financial Statements
December 31, 2010 and 2009
(Continued)

3. T. Rowe Price Stable Value Common Trust Fund

The Plan has assets invested in the T. Rowe Price Stable Value Common Trust Fund. This fund holds Guaranteed and Synthetic Investment Contracts. Information pertaining to the funds for the year ended December 31, 2010 is as follows:

Average Yield	Crediting Interest Rate	Investments at Fair Value	Investments at Contract Value	Adjustment to Contract Value
4.10%	4.02%	\$13,638,993	\$13,146,022	\$(492,971)

Information pertaining to the fund for the year ended December 31, 2009 is as follows:

Average Yield	Crediting Interest Rate	Investments at Fair Value	Investments at Contract Value	Adjustment to Contract Value
4.26%	4.62%	\$14,531,812	\$14,095,425	\$(436,387)

As described in Note 1, because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract.

4. Fair Value Measurements

The following table summarizes the classification of investments by classification and method of valuation in accordance with accounting principles generally accepted in the United States of America on December 31, 2010.

	Total	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Equity securities:				
US	\$ 52,372,604	\$ 52,372,604	\$ -	\$ -
International	1,882,755	1,882,755	-	-
Fixed income	6,178,316	6,178,316	-	-
Common and collective trusts	13,638,993	-	13,638,993	-
Total Investments	\$ 74,072,668	\$ 60,433,675	\$ 13,638,993	\$ -

TWIN DISC, INCORPORATED – THE ACCELERATOR 401(k) SAVINGS PLAN
Racine, Wisconsin

Notes to Financial Statements
December 31, 2010 and 2009
(Continued)

4. Fair Value Measurements (Continued)

The following table summarizes the classification of investments by classification and method of valuation in accordance with accounting principles generally accepted in the United States of America on December 31, 2009.

	Total	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Equity securities:				
US	\$ 39,223,491	\$ 39,223,491	\$ -	\$ -
International	1,463,769	1,463,769	-	-
Fixed income	6,271,817	6,271,817	-	-
Common and collective trusts	14,531,812	-	14,531,812	-
Total Investments	\$ 61,490,889	\$ 46,959,077	\$ 14,531,812	\$ -

5. Income Tax Status

The Plan obtained its latest determination letter on March 19, 2002, in which the Internal Revenue Service stated the Plan as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Department of Labor or Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. 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 2007.

6. Termination of Plan

Although the Company has not expressed any intent to terminate the Plan, it may do so at any time subject to the provisions set forth in ERISA. In the event that the Plan is terminated, the assets of the Plan would be distributed to the participants based on each individual participant's interest in the Plan.

7. Party-in-Interest Transactions

Transactions involving employer securities, funds administered by T. Rowe Price Retirement Plan Services, Inc., the current trustee and recordkeeper of the Plan, and participant loans are considered party-in-interest transactions. These transactions are not, however, considered prohibited transactions under 29 CFR 408(b) of the ERISA regulations.

TWIN DISC, INCORPORATED – THE ACCELERATOR 401(k) SAVINGS PLAN
Racine, Wisconsin

Notes to Financial Statements
December 31, 2010 and 2009
(Continued)

8. Amounts Allocated to Withdrawn Participants

Plan assets of \$11,929,424 and \$11,332,814 have been allocated to the accounts of persons who are no longer active participants of the Plan as of December 31, 2010 and 2009, respectively, but who have not yet received distributions as of that date.

9. 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 at the dates of the financial statements and the reported amounts of additions and deductions during the reporting periods. Actual amounts could differ from those estimates.

10. Risks and Uncertainties

The Plan's investments are exposed to various risks of loss, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the values of investments, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits.

11. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of assets available for benefits per the financial statements to the Form 5500 as of December 31, 2010:

	December 31, 2010
Assets available for benefits per the financial statements	\$ 74,919,608
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	492,971
Assets available for benefits per the Form 5500	\$ 75,412,579

For the year ended December 31, 2010, the following is a reconciliation of net investment income per the financial statements to the Form 5500:

	December 31, 2010
Total net investment income per the financial statements	\$ 14,530,019

Adjustment from contract value to fair value for fully benefit-responsive investment contract		56,584
Total earnings on investments per the Form 5500	\$	14,586,603

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TWIN DISC, INCORPORATED
THE ACCELERATOR 401(K) SAVINGS PLAN
Racine, Wisconsin

Employer Identification #39-0667110
Plan 005

Schedule of Assets Held for Investment Purposes - Schedule H, Line 4i
December 31, 2010

(a)	(b)	(c)	(d)	(e)
	Identity of Issue	Description of Investment	Cost	Fair Value
	DFA Emerging Markets Value	Registered Investment Company	**	\$ 202,030
	Dodge & Cox Balanced Fund	Registered Investment Company	**	3,756,527
	Goldman Sachs Growth Opportunities A Fund	Registered Investment Company	**	1,074,846
	LM BFM International Equity Trust Fund	Registered Investment Company	**	1,680,725
	Pimco Total Return Fund	Registered Investment Company	**	6,178,316
	Vanguard 500 Index Fund	Registered Investment Company	**	1,473,240
	William Blair Small Cap Growth Fund	Registered Investment Company	**	1,298,165
*	T. Rowe Price Equity Income Fund	Registered Investment Company	**	3,274,542
*	T. Rowe Price Growth Stock Fund	Registered Investment Company	**	11,166,558
*	T. Rowe Price Mid Cap Value Fund	Registered Investment Company	**	8,552,727
*	T. Rowe Price Small Cap Value Fund	Registered Investment Company	**	2,731,383
*	T. Rowe Price Stable Value Common Trust Fund	Common/Collective Trust	**	13,638,993
*	Retirement Income Fund	Registered Investment Company	**	80,016
*	T. Rowe Price Retirement 2005 Fund	Registered Investment Company	**	38,167
*	T. Rowe Price Retirement 2010 Fund	Registered Investment Company	**	399,634
*	T. Rowe Price Retirement 2015 Fund	Registered Investment Company	**	2,640,859
*	T. Rowe Price Retirement 2020 Fund	Registered Investment Company	**	2,771,908

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*	T. Rowe Price Retirement 2025 Fund	Registered Investment Company	**	1,199,377
*	T. Rowe Price Retirement 2030 Fund	Registered Investment Company	**	773,572
*	T. Rowe Price Retirement 2035 Fund	Registered Investment Company	**	198,735
*	T. Rowe Price Retirement 2040 Fund	Registered Investment Company	**	212,691
*	T. Rowe Price Retirement 2045 Fund	Registered Investment Company	**	17,933
*	T. Rowe Price Retirement 2050 Fund	Registered Investment Company	**	80,055
*	T. Rowe Price Retirement 2055 Fund	Registered Investment Company	**	28,778
*	Twin Disc, Inc. - Common Stock Participant Loans, interest rates ranging between 4.25% and 9.75%, maturities ranging from 2011 to 2019	Employer Securities	**	10,602,891
		Participant Loans	**	1,277,661
			\$	75,350,329
*	The party involved is known to be a party-in-interest to the Plan.			
**	Cost is excluded for participant directed investments			

See Report of Independent Registered Public Accounting Firm

EXHIBIT INDEX

EXHIBITS TO THE ANNUAL REPORT ON FORM 11 – K

The exhibits listed below are filed as part of this Annual Report on Form 11–K. Each exhibit is listed according to the number assigned to it in the Exhibit Table of Item 601 of Regulation S–K.

Exhibit Number	Description
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23	Consent of Independent Registered Public Accounting Firm
99.1	Certification pursuant to 18 U.S.C. Section 1350
99.2	Certification pursuant to 18 U.S.C. Section 1350

SIGNATURES

Pursuant to the requirements of the Securities Act of 1934, the members of the Committee which administers the Plan have duly caused this annual report to be signed by the undersigned hereunto duly authorized.

TWIN DISC, INCORPORATED –
THE ACCELERATOR 401(K) SAVINGS PLAN

June 27, 2011

/s/ Christopher J. Eperjesy
Christopher J. Eperjesy
Vice President – Finance, Chief Financial
Officer and Treasurer

/s/ Denise L. Wilcox
Denise L. Wilcox
Vice President – Human Resources

