HomeStreet, Inc.
Form 4
January 14, 2014

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
WILLIAMS BRUCE W

(Last) (First) (Middle)

601 UNION STREET, SUITE 2000

(Street)

SEATTLE, WA 98101

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
HomeStreet, Inc. [HMST]

3. Date of Earliest Transaction (Month/Day/Year)
01/10/2014

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/10/2014		A		252 (1)	A	$ 0	198,948.8 (2)	D	
Common Stock								19,252.644	I	HomeStreet, Inc. 401(k) Savings Plan (3)
Common Stock								163,128	I	Marina S. Williams Trust (4)
Common Stock								2,188.4	I	Marina S. Williams Trust (5)
Common Stock								150,076.8	I	Estate of Walter B. Williams (6)

Common Stock	150,073.6	I	Estate of Marie W. Williams (7)
Common Stock	55,281.6	I	Karen M. Zimmerman Trust (8)
Common Stock	55,281.6	I	Steven W. Zimmerman Trust (9)
Common Stock	750.4	I	Andrew Alvaro Mullins-Williams 2005 Trust (10)
Common Stock	1.2	I	William B. Williams Interim Trust (11)
Common Stock	0.4	I	Gro A. Buer (12)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
	X			

WILLIAMS BRUCE W
601 UNION STREET, SUITE 2000
SEATTLE, WA 98101

Signatures

/s/ Godfrey B. Evans, attorney in fact for Bruce W. Williams	01/14/2014
**Signature of Reporting Person	Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Stock issued based on Directors' compensation policy paid quarterly.

(2) 31,547.2 shares held jointly with Gro A. Buer, Mr. Williams's spouse.

(3) Participants in HomeStreet, Inc.'s 401(k) Savings Plan have the authority to direct voting of shares they hold through such plan.

(4) Mr. Williams is the co-trustee with Gro A.Buer for the Marina S. Williams Trust dated 12/25/95. Mr. Williams disclaims beneficial ownership of these shares except to the extent of any pecuniary interest he may have therein.

(5) Mr. Williams is the sole trustee for the Marina S. Williams Trust dated 12/23/03. Mr. Williams disclaims beneficial ownership of these shares except to the extent of any pecuniary interest he may have therein.

(6) Mr. Williams is the executor of the estate of Walter B. Williams. Mr. Williams disclaims beneficial ownership of these shares except to the extent of any pecuniary interest he may have therein.

(7) Mr. Williams is the executor of the estate of Marie W. Williams. Mr. Williams disclaims beneficial ownership of these shares except to the extent of any pecuniary interest he may have therein.

(8) Mr. Williams is the sole trustee of the Karen M. Zimmerman Trust dated 12/22/2000. Mr. Williams disclaims beneficial ownership of these shares except to the extent of any pecuniary interest he may have therein.

(9) Mr. Williams is the sole trustee of the Steven W. Zimmerman Trust dated 12/22/2000. Mr. Williams disclaims beneficial ownership of these shares except to the extent of any pecuniary interest he may have therein.

(10) Mr. Williams is the sole trustee for the Andrew Alvaro Mullins-Williams Trust dated 11/29/2005. Mr. Williams disclaims beneficial ownership of these shares except to the extent of any pecuniary interest he may have therein.

(11) Mr. Williams is the sole trustee of the Walter B. Williams Interim Trust. Mr. Williams disclaims beneficial ownership of these shares except to the extent of any pecuniary interest he may have therein.

(12) Held individually by Gro A. Buer, Mr. Williams's spouse. Mr. Williams disclaims beneficial ownership of these shares except to the extent of any pecuniary interest he may have therein.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. ="nowrap">
Common/collective trust funds

Target Duration LDI Fixed Income Funds (b)

· Russell 8 Year LDI Fixed Income Fund

—

6,033,648

—

6,033,648

· Russell 14 Year LDI Fixed Income Fund

—

18,083,206

—

18,083,206

STRIPS Fixed Income Funds (c)

· Russell 15 Year STRIPS Fixed Income Fund

—

1,905,068

—

1,905,068

· Russell 10 Year STRIPS Fixed Income Fund

—

3,570,427

—

3,570,427

· Russell 28 to 29 Year STRIPS Fixed Income Fund

—

2,144,581

—

2,144,581

Insurance contracts

—

2,765,967

—

2,765,967

Total

$
5,675,021

$
66,423,751

$
—

$
72,098,772

Equity common funds primarily hold publicly traded common stock of both U.S and international companies selected for purposes of total return and to maintain equity exposure consistent with policy allocations. The Level 1 investment is made up of shares of The Eastern Company Common Stock and is valued at market price. Level 2 investments include commingled funds valued at unit values provided by the investment managers, which are based on the fair value of the underlying publicly traded securities.

The Eastern Company

Notes to Consolidated Financial Statements (continued)

11. Retirement Benefit Plans (continued)

(a) The investment objective of the RITC (formerly Russell) Multi-Asset Core Plus Fund seeks to provide long-term growth of capital over a market cycle by offering a diversified portfolio of funds and separate accounts investing in global stock, return seeking fixed income, commodities, global real estate and opportunistic investments. They hold a dynamic mix of underlying Russell Investments funds and/or separate accounts. Russell Investments is a strong proponent of disciplined strategic asset allocation and rebalancing strategies, and believes that unstable movements in the market have the potential to create opportunities. By identifying short-term mispricing, and making small tactical adjustments to the Multi-Asset Core Plus Fund, they believe there is potential to enhance returns while continuing to manage risks.

(b) The Target Duration LDI Fixed Income Funds seek to outperform their respective Barclays-Russell LDI Indexes over a full market cycle. These Funds invest primarily in investment grade corporate bonds that closely match those found in discount curves used to value U.S. pension liabilities. They seek to provide additional incremental return through modest interest rate timing, security selection and tactical use of non-credit sectors. Generally for use in combination with other bond funds to gain additional credit exposure, with the goal of reducing the mismatch between a plan's assets and liabilities.

(c) The STRIPS (Separate Trading of Registered Interest and Principal of Securities) Funds seek to provide duration and Treasury exposure by investing in an optimized subset of the STRIPS universe with a similar duration profile as the Barclays U.S. Treasury STRIPS 10-11 year, 16-16 year or 28-29 year Index. These passively managed funds are generally used with other bond funds to add additional duration to the asset portfolio. This will help reduce the mismatch between a plan's assets and liabilities.

The investment portfolio contains a diversified blend of common stocks, bonds, cash equivalents, and other investments, which may reflect varying rates of return. The investments are further diversified within each asset classification. The portfolio diversification provides protection against a single security or class of securities having a disproportionate impact on aggregate performance. The Company has elected to change its investment strategy to better match the assets with the underlying plan liabilities. Currently, the long-term target allocations for plan assets are 50% in equities and 50% in fixed income although the actual plan asset allocations may be within a range around these targets. The actual asset allocations are reviewed and rebalanced on a periodic basis to maintain the target allocations. It is expected that, as the funded status of the plans improves, more assets will be invested in long-duration fixed income instruments.

The plans' assets include 217,018 shares of the common stock of the Company having a market value of $5,247,495 and $5,675,021 at December 29, 2018 and December 30, 2017, respectively. No shares were purchased in 2018 or 2017 nor were and shares sold in either period. Dividends received during 2018 and 2017 on the common stock of the Company were $95,488 and $95,488 respectively.

U.S. salaried and non-union hourly employees and most employees of the Company's Canadian subsidiaries are covered by defined contribution plans.

The Company has a contributory savings plan under Section 401(k) of the Internal Revenue Code covering substantially all U.S. non-union employees. This plan allows participants to make voluntary contributions of up to 100% of their annual compensation on a pretax basis, subject to IRS limitations. The plan provides for contributions by the Company at its discretion.

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The Eastern Company

Notes to Consolidated Financial Statements (continued)

11. Retirement Benefit Plans (continued)

The Company amended the Eastern Company Savings and Investment Plan ("401(k) Plan Amendment") effective June 1, 2016. The 401(k) Plan Amendment increased this match to 50% of the first 6% of contributions for the remainder of Fiscal 2016. The 401(k) Plan Amendment also provided for an additional non-discretionary contribution (the "transitional credit") for certain non-union U.S. employees who were eligible to participate in the Salaried Plan. The amount of this non-discretionary contribution ranges from 0% to 4% of wages, based on the age of the individual on June 1, 2016. The 401(k) Plan Amendment increased the non-discretionary safe harbor contribution to 3%, and changed the eligibility to all non-union U.S. employees.

The Company made contributions to the plan as follows:

	2018	2017
Regular matching contributions	$551,046	$465,671
Transitional credit contributions	349,062	385,578
Non-discretionary contributions	578,373	355,747
Total contributions made for the period	$1,478,481	$1,206,996

At December 29, 2018, the Company had accrued $565,748 for the non-discretionary safe harbor contribution this amount was expensed in 2018 and was contributed to the plan in January 2019. At December 30, 2017, the Company had accrued $502,618 for the non-discretionary safe harbor contribution. This amount was contributed to the Plan in January 2018 and was expensed in 2017.

12. Earnings per Share

The denominators used in the earnings per share computations follow:

	2018	2017
Basic:		
Weighted average shares outstanding	6,258,277	6,259,139
Diluted:		
Weighted average shares outstanding	6,258,277	6,259,139
Dilutive stock options	15,697	35,634
Denominator for diluted earnings per share	6,273,974	6,294,773

There were no anti-dilutive stock equivalents in 2018 or 2017.

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The Eastern Company

Notes to Consolidated Financial Statements (continued)

13. Reportable Segments

	2018	2017
Sales:		
Sales to unaffiliated customers:		
Industrial Hardware	$140,293,409	$115,273,233
Security Products	64,897,871	60,976,998
Metal Products	29,084,183	27,989,382
	$234,275,463	$204,239,613
Inter-segment Sales:		
Industrial Hardware	$366,381	$524,536
Security Products	3,365,695	2,935,797
Metal Products	13,421	21,431
	$3,745,497	$3,481,764
Income Before Income Taxes:		
Industrial Hardware	$9,588,185	$5,042,687
Security Products	7,122,640	6,020,847
Metal Products	1,148,516	1,019,224
Operating Profit	17,859,341	12,082,758
Interest expense	(1,202,272)	(976,512)
Other income	933,260	348,696
	$17,590,329	$11,454,942
Geographic Information:		
Net Sales:		
United States	$207,789,058	$178,124,818
Foreign	26,486,405	26,114,795
	$234,275,463	$204,239,613

Foreign sales are primarily to customers in North America.

Identifiable Assets:		
United States	$166,665,767	$153,712,643
Foreign	14,581,800	22,745,754
	$181,247,567	$176,458,397
Industrial Hardware	$47,600,805	$44,828,458
Security Products	54,593,837	53,724,837
Metal Products	19,909,256	18,126,395
	122,103,898	116,679,690
General corporate	59,143,669	59,778,707
	$181,247,567	$176,458,397

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The Eastern Company

Notes to Consolidated Financial Statements (continued)

13. Reportable Segments (continued)

	2018	2017
Depreciation and Amortization:		
Industrial Hardware	$2,978,324	$2,526,460
Security Products	1,135,811	964,873
Metal Products	1,215,073	1,227,852
	$5,329,208	$4,719,185
Capital Expenditures:		
Industrial Hardware	$3,029,406	$1,151,868
Security Products	1,482,267	705,178
Metal Products	901,400	899,663
	5,413,073	2,756,709
Currency translation adjustment	(9,014)	6,240
General corporate	6,486	—
	$5,410,545	$2,762,949

14. Recent Accounting Pronouncements

Adopted

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers. ASU No. 2014-09 provides authoritative guidance which impacts virtually all aspects of an entity's revenue recognition. The core principle of the new standard is that revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard is effective for annual reporting periods beginning after December 15, 2017. The adoption of this amendment did not have a material impact on the consolidated financial statements of the Company.

In January 2017, the FASB issued ASU No. 2017-01, Business Combinations – Clarifying the Definition of a business. ASU 2017-01 provides guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions or dispositions of assets or businesses. The amendment is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The amendment should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. The adoption of this amendment did not have a material impact on the consolidated financial statements of the Company.

In January 2017, the FASB issued ASU No. 2017-04, Intangibles – Goodwill and Other: Simplifying the test for Goodwill Impairment. ASU 2017-04 provides guidance to simplify the subsequent measure of goodwill by eliminating Step 2 from the goodwill impairment test. The amendment is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The amendment should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period after January 1, 2017. The adoption of this amendment did not have a material impact on the consolidated financial statements of the Company.

In March 2017, the FASB issued ASU No. 2017-07, Compensation — Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. ASU 2017-07 provides guidance to update and primarily improve the presentation of net periodic pension cost and net periodic postretirement benefit cost reporting. The amendment is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The amendment was applied retrospectively with earlier application permitted as of the beginning of an interim or annual reporting period after December 15, 2017. The adoption of this amendment did not have a material impact on the consolidated financial statements of the Company.

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The Eastern Company

Notes to Consolidated Financial Statements (continued)

14. Recent Accounting Pronouncements (continued)

Upcoming

In February 2016, the FASB issued ASU No. 2016-02, Leases ("Topic 842"). ASU 2016-02 requires leases to present right-of-use assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. The guidance is to be applied at the beginning of the earliest comparative period in the financial statements and is effective for years beginning after December 15, 2018. Early adoption is permitted. In July 2018, the FASB issued ASU No. 2018-10, Codification Improvements to Topic 842 - Leases. ASU 2018-10 clarifies and increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing transactions. The guidance is to be applied upon adoption of Topic 842 and is effective for years beginning after December 15, 2018. Also in July 2018, the FASB issued ASU No. 2018-11, Leases. ASU 2018-11 provides clarification and an additional (and optional) transition method to adopt the new leases standard. The guidance is to be applied upon adoption of Topic 842 and is effective for years beginning after December 15, 2018. The adoption of this amendment will not have a material impact on the consolidated financial statements of the Company.

In calculating the effect of Topic 842 – Leases, the Company has elected the transition method thereby not restating comparable periods and recognizing the cumulative effect of this guidance to retained earnings in the first quarter of 2019. The Company has elected to account for non-lease components as part of the lease component to which they relate. Lease accounting involves significant judgements, including when making estimates related to the lease term, lease payments, and discount rate. In accordance with the guidance, the Company will recognize the right of use (ROU) asset and a lease liability for all leases with a term greater than 12 months. The adoption of this amendment will not have a material impact on the consolidated financial statements of the Company.

The Company has implemented all new accounting pronouncements that are in effect and that could impact its consolidated financial statements and does not believe that there are any other new accounting pronouncements that have been issued, but are not yet effective, that might have a material impact on the consolidated financial statements of the Company.

15. Concentration of risk

Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company, as and when they become due. The primary credit risk for the Company is its accounts receivable due from customers. The Company has established credit limits for customers and monitors their balances to mitigate the risk of loss. As of December 29, 2018 and December 30, 2017, there were no significant concentrations of credit risk. No single customer represented more than 10% of the Company's net accounts receivable as of December 29, 2018 or at December 30, 2017. The maximum exposure to credit risk is primarily represented by the carrying amount of the Company's accounts receivable.

Interest Rate Risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt, which bears interest at variable rates based on the LIBOR rate plus a margin spread of 1.75% to 2.50%. The Company has an interest rate swap with a notional amount of $14,337,500 on December 29, 2018 to convert a portion of its 2017 Term Loan from variable to fixed rates. The valuation of this swap is determined using the three month LIBOR rate index and mitigates the Company's exposure to interest rate risk. Additionally, interest rates on the Company's debt are susceptible to changes to the method that LIBOR rates are determined and to the potential phasing out of LIBOR after 2021. More information regarding the potential phasing out of LIBOR is discussed in greater detail under Note 7 to Consolidated Financial Statements.

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The Eastern Company

Notes to Consolidated Financial Statements (continued)

15. CONCENTRATION OF RISK (continued)

Currency Exchange Rate Risk

The Company's currency exposure is concentrated in the Canadian dollar, Mexican peso, New Taiwan dollar, Chinese RMB and the Hong Kong dollar. Because of the Company's limited exposure to any single foreign market, any exchange gains or losses have not been material and are not expected to be material in the future. As a result, the Company does not attempt to mitigate its foreign currency exposure through the acquisition of any speculative or leveraged financial instruments.

Report of Independent Registered Public Accounting Firm
To the Board of Directors and Shareholders of
The Eastern Company
Naugatuck, Connecticut
Opinion on the Financial Statements
We have audited the accompanying consolidated balance sheets of The Eastern Company (the Company) as of December 29, 2018 and December 30, 2017, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the two-year period ended December 29, 2018, and the related notes and schedules (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 29, 2018 and December 30, 2017, and the results of its operations and its cash flows for each of the years in the two-year period ended December 29, 2018, in conformity with accounting principles generally accepted in the United States of America.
We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 29, 2018, based on criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 14, 2019 expressed an unqualified opinion.
Basis for Opinion
These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/Fiondella, Milone & LaSaracina LLP
Fiondella, Milone & LaSaracina LLP

We have served as the Company's auditor since 2009.

Glastonbury, Connecticut
March 14, 2019
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ITEM 9 CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of the end of the fiscal year ended December 29, 2018, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Chief Executive Officer (the "CEO") and Chief Financial Officer (the "CFO"), of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 240.13a-15. As defined in Exchange Act Rules 240.13a-15(e) and 240.15d-15(e), "the term disclosure controls and procedures means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act (15 U.S.C. 78a et seq.) is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure." Based upon that evaluation, the CEO and CFO concluded that the Company's current disclosure controls and procedures were effective as of the December 29, 2018 evaluation date.

The Company believes that a controls system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. The Company's disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives, and the CEO and CFO have concluded that these controls and procedures are effective at the "reasonable assurance" level.

Management's Annual Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 240.13a-15(f) and 240.15d-15(f), Under the supervision and with the participation of our management, including our CEO and CFO, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under this framework, our management concluded that our control over financial reporting was effective as of December 29, 2018. The Company's registered public accounting firm, Fiondella, Milone & LaSaracina LLC, has issued an attestation report on the Company's internal control over financial reporting. The attestation report is set forth below in this Item 9A.

Changes in Internal Control over Financial Reporting

During the fourth quarter of 2018, there were no significant changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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Explanation of Responses:

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
The Eastern Company
Naugatuck, Connecticut

Opinion on Internal Control over Financial Reporting

We have audited The Eastern Company's (the Company's) internal control over financial reporting as of December 29, 2018, based on criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 29, 2018, based on criteria established in Internal Control—Integrated Framework (2013) issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows of the Company, and our report dated March 14, 2019, expressed an unqualified opinion.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting under Item 9A. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/Fiondella, Milone & LaSaracina LLP

Fiondella, Milone & LaSaracina LLP

Glastonbury, Connecticut
March 14, 2019
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ITEM 9B OTHER INFORMATION

None.

PART III

ITEM 10 DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The Company's definitive proxy statement ("Proxy Statement") for the 2019 Annual Meeting of Shareholders, which is incorporated herein by reference, will be filed with the SEC pursuant to Regulation 14A not later than 120 days after December 29, 2018.

The information concerning directors is incorporated herein by reference to the Company's Proxy Statement under the captions "Item No. 1 – Election of Directors" and "Director Compensation in Fiscal Year 2018".

The information concerning the Company's executive officers is incorporated herein by reference to the Company's Proxy Statement under the captions "Executive Compensation", "Stock Options", "Outstanding Equity Awards at Fiscal 2018 Year-End", and "Termination of Employment and Change in Control Arrangements".

The information concerning the Company's Audit Committee is incorporated herein by reference to the Company's Proxy Statement under the captions "Audit Committee Financial Expert", "Report of the Audit Committee" and "The Board of Directors and Committees". The Audit Committee Charter is also available on the Company's website at http://www.easterncompany.com by clicking on Corporate Governance.

The information concerning compliance with Section 16(a) of the Exchange Act is incorporated herein by reference to our Proxy Statement under the caption "Section 16(a) Beneficial Ownership Reporting Compliance".

The Company's Board of Directors has adopted a Code of Business Conduct and Ethics that applies to the Company's Chief Executive Officer, Chief Financial Officer and the Company's other financial professionals. The Code of Business Conduct and Ethics is available on the Company's website at http://www.easterncompany.com by clicking on Corporate Governance.

ITEM 11 EXECUTIVE COMPENSATION

Information concerning director and executive compensation is incorporated herein by reference to portions of the Company's Proxy Statement to be filed with the SEC pursuant to Regulation 14A not later than 120 days after December 29, 2018 under the captions "Director Compensation in Fiscal Year 2018", "Executive Compensation", "Stock Options", "Outstanding Equity Awards at Fiscal 2018 Year-End", and "Termination of Employment and Change in Control Arrangements". The Compensation Committee of the Board of Directors operates under the Compensation Committee Charter, which can be found on the Company's website at http://www.easterncompany.com by clicking on Corporate Governance.

ITEM 12 SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Security ownership of certain beneficial owners and management:

(a) Information concerning security ownership of certain beneficial owners is incorporated herein by reference to the Company's Proxy Statement to be filed with the SEC pursuant to Regulation 14A not later than 120 days after December 29, 2018 under the caption "Security Ownership of Certain Beneficial Shareholders".

(b) Information concerning security ownership of management is incorporated herein by reference to the Company's Proxy Statement to be filed with the SEC pursuant to Regulation 14A not later than 120 days after December 29, 2018 under the captions "Item No. 1 – Election of Directors", "Security Ownership of Certain Beneficial Shareholders", "Executive Compensation", "Stock Options", "Options Exercised in Fiscal 2018", and "Outstanding Equity Awards at Fiscal 2018 Year-End". See also the equity compensation plan information in Item 5 of this Form 10-K.

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(c) Changes in Control

None.

ITEM 13 DIRECTOR INDEPENDENCE

Information regarding director independence is incorporated herein by reference to the Company's Proxy Statement to be filed with the SEC pursuant to Regulation 14A not later than 120 days after December 29, 2018 under the captions "Item No.1 – Election of Directors" and "The Board of Directors and Committees".

ITEM 14 PRINCIPAL ACCOUNTING FEES AND SERVICES

Information concerning principal accountant fees and services is incorporated herein by reference to the Company's Proxy Statement to be filed with the SEC pursuant to Regulation 14A not later than 120 days after December 29, 2018 under the caption "Item No. 3 – Ratification of Appointment of Independent Registered Public Accounting Firm".

PART IV

ITEM 15 EXHIBITS, FINANCIAL STATEMENT SCHEDULE

(a) Documents filed as part of this Form 10-K:

(1) Financial statements

(2) Financial Statement Schedules

Schedule II — Valuation and qualifying accounts begins on page [64] of this Form 10-K. Schedules other than that listed above have been omitted because the required information is contained in the financial statements and notes thereto, or because such schedules are not required or applicable.

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Exhibit Index

Exhibit No.	Description
2.1	Securities Purchase Agreement, dated April 3, 2017, by and among the Company, Velvac Holdings, Inc. and Security holders of Velvac Holdings, Inc. (incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K (SEC File No. 001-35383) filed on April 7, 2017).
2.2	Asset Purchase Agreement, dated June 2, 2018, by and among the Company and Load N Lock Systems, Inc. (incorporated herein by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K (SEC File No. 001-35383) filed on June 4, 2018).
3.1	Restated Certificate of Incorporation, dated August 4, 1991 (filed herewith).
3.2	Certificate of Amendment to the Company's Restated Certificate of Incorporation, dated April 29, 2016 (incorporated herein by reference to Exhibit 3(i) to the Company's Current Report on Form 8-K (SEC File No. 001-35383) filed on April 29, 2016).
3.3	By-Laws of The Eastern Company, as Amended through March 19, 2015.
3.4	Amendment to the Company's Amended and Restated By-Laws, dated April 27, 2016 (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (SEC File No. 001-35383) filed on April 29, 2016).
10.3*	Amended and Restated Employment Agreement, dated as of January 1, 2018, between the Company and August M. Vlak (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (SEC File No. 001-35383), filed January 22, 2018).
10.4*	The Company's Directors' Fee Program, effective as of October 1, 1996 (incorporated herein by reference to the Company's Registration Statement on Form S-8, as amended (SEC File No. 333-21351) filed on February 7, 1997).
10.5*	The Company's 2010 Executive Stock Incentive Plan, effective July 20, 2010 (incorporated herein by reference to Exhibit 4a to the Company's Registration Statement on Form S-8 (SEC File No. 333-169169), filed on September 2, 2010).
21	Subsidiaries of the Company (filed herewith).
23	Consent of Fiondella, Milone & LaSaracina LLP (filed herewith).
31	Rule 13a-14(a) Certification of Chief Executive Officer and Chief Financial Officer of the Company in accordance with Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32	Section 1350 Certification of Chief Executive Officer and Chief Financial Officer of the Company in accordance with Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).

Exhibit No.	Description
99	Letter to our shareholders from the Annual Report 2018 (filed herewith).
101	The following materials from the Company's Annual Report on Form 10-K for the year ended December 29, 2018, formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Balance Sheets as of December 29, 2018 and December 30, 2017; (ii) the Consolidated Statements of Income for the fiscal years ended December 29, 2018 and December 30, 2017; (iii) the Consolidated Statements of Comprehensive Income for the fiscal years ended December 29, 2018 and December 30, 2017; (iv) the Consolidated Statements of Shareholders' Equity for the fiscal years ended December 29, 2018 and December 30, 2017; (v) the Consolidated Statements of Cash Flows for the fiscal years ended December 29, 2018 and December 30, 2017; and (vi) the Notes to the Consolidated Financial Statements (filed herewith).

* Management contract, compensatory plan or arrangement.

** Exhibits to this Form 10-K listed but not included herein will be provided upon written request sent to the Company's executive offices.

ITEM 16 FORM 10-K SUMMARY

None.

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The Eastern Company and Subsidiaries

Schedule II – Valuation and Qualifying accounts

COL. A	COL. B	COL. C ADDITIONS		COL. D	COL. E
		(1)	(2)		
Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts-Describe	Deductions – Describe	Balance at End of Period
Fiscal year ended December 29, 2018: Deducted from asset accounts: Allowance for doubtful accounts	$470,000	$ 220,000	$ 0	$ 10,000 (a)	$680,000
Fiscal year ended December 30, 2017: Deducted from asset accounts: Allowance for doubtful accounts	$430,000	$ 87,000	$ 64,000	$ 111,000 (a)	$470,000

(a) Uncollectible accounts written off, net of recoveries.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: March 14, 2019 THE EASTERN COMPANY

By /s/ John L. Sullivan III
John L. Sullivan III
Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ August M. Vlak August M. Vlak President, Chief Executive Officer and Director	March 14, 2019
/s/ John L. Sullivan III John L. Sullivan III Vice President and Chief Financial Officer	March 14, 2019
/s/ James A. Mitarotonda James A. Mitarotonda Chairman of the Board	March 14, 2019
/s/ Fredrick D. DiSanto Fredrick D. DiSanto Director	March 14, 2019
/s/ John W. Everets John W. Everets Director	March 14, 2019
/s/ Charles W. Henry Charles W. Henry Director	March 14, 2019
/s/ Michael A. McManus Michael A. McManus Director	March 14, 2019