

CLARCOR INC  
Form 11-K  
June 26, 2009

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT  
PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

x Annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended: December 31, 2008

o Transition report pursuant to Section 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 1-11024

A. Full title of plan and address of the plan, if different from that of the issuer named below:

CLARCOR 401(k) Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

CLARCOR Inc.  
840 Crescent Centre Drive  
Suite 600  
Franklin, TN 37067

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CLARCOR 401(k) Plan



Financial Statements and  
Supplemental Schedule  
As of and for the Years Ended  
December 31, 2008 and 2007

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CLARCOR 401(k) Plan

Contents

<b>Report of Independent Registered Public Accounting Firm</b>		<b>3</b>
<b>Financial Statements</b>		
	Statements of Net Assets Available for Benefits	4
	Statements of Changes in Net Assets Available for Benefits	5-6
	Notes to Financial Statements	7-13
<b>Supplemental Schedule</b>		
	Schedule of Assets (Held at End of Year)	15-16

Note: Supplemental schedules required by the Employee Retirement Income Security Act of 1974 not included herein are deemed not applicable to the CLARCOR 401(k) Plan.

Report of Independent Registered Public Accounting Firm

To the Participants and Plan Administrator of the CLARCOR 401(k) Plan

We have audited the accompanying statements of net assets available for benefits of the CLARCOR 401(k) Plan ("the Plan") as of December 31, 2008 and 2007, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2008 and 2007, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held at end of year as of December 31, 2008 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures supplied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Horne LLP  
Jackson, Mississippi

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## CLARCOR 401(k) Plan

## Statements of Net Assets Available for Benefits

December 31,	2008	2007
Assets		
Investments, at fair value		
Common/collective trust	\$ 12,187,043	\$ 11,247,628
Mutual funds	44,548,487	55,945,494
CLARCOR Inc. Common Stock Fund	4,192,879	6,701,864
Participant loans	2,591,716	2,640,490
Total investments	63,520,125	76,535,476
Receivables		
Employer contributions	-	89,526
Participant contributions	-	169,201
Total receivables	-	258,727
Net Assets Available for Benefits	\$ 63,520,125	\$ 76,794,203

See accompanying notes to financial statements.

## CLARCOR 401(k) Plan

## Statements of Changes in Net Assets Available for Benefits

Year ended December 31,	2008	2007
<b>Additions</b>		
<b>Investment income</b>		
Interest income from common/collective trust	\$ 482,946	\$ 501,453
Dividend income from CLARCOR Inc. Common Stock Fund	37,734	40,705
Interest income from participant loans	241,661	211,279
Dividend income from mutual funds	1,686,165	2,780,735
<b>Total interest and dividends</b>	<b>2,448,506</b>	<b>3,534,172</b>
<b>Net appreciation (depreciation) in fair value of</b>		
Mutual funds	(17,526,264)	365,428
CLARCOR Inc. Common Stock Fund	(619,103)	689,787
<b>Total net appreciation (depreciation)</b>	<b>(18,145,367)</b>	<b>1,055,215</b>
<b>Net gain (loss) on sale of investments of</b>		
CLARCOR Inc. Common Stock Fund	25,345	59,548
Mutual funds	(1,280,302)	280,838
<b>Total net gain (loss) on sale of investments</b>	<b>(1,254,957)</b>	<b>340,386</b>
<b>Total investment income (loss)</b>	<b>(16,951,818)</b>	<b>4,929,773</b>
<b>Contributions</b>		
Employer	3,537,312	2,832,522
Participant	5,955,207	4,993,022
Rollover	516,073	569,829
Other additions	1,592	3,053
<b>Total contributions</b>	<b>10,010,184</b>	<b>8,398,426</b>
<b>Total additions (losses)</b>	<b>(6,941,634)</b>	<b>13,328,199</b>

## CLARCOR 401(k) Plan

## Statements of Changes in Net Assets Available for Benefits

Year ended December 31,	2008	2007
Deductions		
Benefits paid to participants	\$ 6,313,772	\$ 6,309,651
Administrative fees	18,463	14,452
Other deductions	209	1,363
Total deductions	6,332,444	6,325,466
Net Increase (Decrease)	(13,274,078)	7,002,733
Net Assets Available for Benefits, at beginning of year	76,794,203	69,791,470
Net Assets Available for Benefits, at end of year	\$ 63,520,125	\$ 76,794,203

See accompanying notes to financial statements.

1. Description of Plan The following brief description of the CLARCOR Inc. (the "Company") 401(k) Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Summary Plan Description for a more complete description of the Plan's provisions.
- General The Plan is a defined contribution plan established January 1, 2004, which covers eligible domestic employees of the Company who are 21 or older, and who are not continuing participation in the CLARCOR Inc. Pension Plan effective January 1, 2004. Effective July 1, 2007, new employees are automatically enrolled at 3% pre-tax following a 60 day opt-out period. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").
- Contributions Each year, upon date of hire, participants may contribute up to 50% of annual compensation on a combined pre-tax and/or after-tax (Roth) basis, as defined in the Plan, subject to applicable Internal Revenue Code limitations. Participants may also rollover amounts representing distributions from other qualified defined benefit or defined contribution plans. The Company matches 100% of the first 3% and 50% of the next 2% of combined employee pre-tax and/or after-tax (Roth) contributions once the participant has three months of service.
- Participant Accounts Each participant's account is credited with the participant's contributions, Company's contributions and Plan earnings. Contributions are based on participant elections, as defined. The only benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers a common/collective trust and 22 mutual funds as investment options for participants.
- Vesting As this is a safe harbor match plan, participants are immediately vested in their contributions and the Company's match, plus actual earnings thereon.



Participant Loans	Participants may borrow from their accounts a minimum of \$1,000 and may have only one loan outstanding. Loans are repaid through payroll deductions with principal and interest being credited to the participants' account balances. Loans may not exceed the lesser of 50% of the participant's vested balance or \$50,000, and loans are to be repaid over a period of time not to exceed five years, unless used for the purchase of principal residence, in which case the payback period may not exceed 15 years. The loans are collateralized by the balance in the participant's account and bear interest at the prime rate plus 2% at the time of the loan.
Payment of Benefits	<p>Upon termination of service, death, disability or retirement, participants or their beneficiaries will receive lump-sum benefit payments. Benefits paid are equal to the value of the participant's vested interest in his or her account.</p> <p>Subject to certain provisions specified in the Plan agreement, employed participants may withdraw their after-tax contributions and related earnings. Withdrawals from the Plan may also be made upon circumstances of financial hardship in accordance with provisions specified in the Plan.</p>
Forfeited Accounts	Forfeitures are used to reduce future Company contributions. Approximately \$194 and \$174 were used to reduce Company contributions during 2008 and 2007, respectively.
Administrative Expenses	The Company pays substantially all of the Plan's administrative expenses.
2. Summary of Significant Accounting Policies	
Basis of Accounting	The financial statements of the Plan are prepared under the accrual method of accounting.

Use of Estimates	The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Plan management to make estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the changes in net assets available for benefits during the reporting period and, when applicable, disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.
Risks and Uncertainties	The Plan provides for various investment options in any combination of stocks, bonds, fixed income securities, mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market valuation and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits and the statement of changes in net assets available for benefits. Individual participants' accounts bear the risk of loss resulting from fluctuations in fund values.
Investment Valuation and Income Recognition	<p>The Plan's investments are stated at fair value. Quoted market prices are used to value investments. Shares of mutual funds and shares of the common/collective trust are valued at the net asset value of shares or units held by the Plan at year end. The CLARCOR Inc. Common Stock Fund is valued at the year-end unit closing price, based on the quoted market price of the Company common stock plus uninvested cash. Participant loans are valued at cost which approximates fair value.</p> <p>Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.</p>
Payment of Benefits	Benefits are recorded when paid.

CLARCOR 401(k) Plan

Notes to Financial Statements

3. Significant Investments      The fair value of individual investments that represent 5% or more of the Plan's net assets are as follows:

December 31,	2008	2007
CLARCOR Inc. Common Stock Fund	\$ 4,192,879	\$ 6,701,864
Vanguard Intermediate Term Treasury Fund	4,515,330	N/A
Vanguard 500 Index Fund	9,463,142	14,848,187
Vanguard U. S. Growth Fund	N/A	4,047,364
Vanguard Wellington Fund	6,847,133	9,246,732
Vanguard Windsor II Fund	3,412,837	5,361,663
Vanguard Retirement Savings Trust	12,187,043	11,247,628
Vanguard International Growth Fund	N/A	4,624,563
Vanguard Prime Money Market Fund	3,351,569	N/A

4. Related-Party Transactions      The Plan invests in shares of mutual funds managed by an affiliate of Vanguard Fiduciary Trust Company. Vanguard Fiduciary Trust Company acts as trustee for only those investments as defined by the Plan. Transactions in such investments qualify as party-in-interest transactions which are exempt from the prohibited transaction rules. Fees paid by participants of the Plan for annual loan and redemption fees amounted to \$18,463 and \$14,452 for the years ended December 31, 2008 and 2007, respectively.

The CLARCOR Inc. Common Stock Fund contains shares of common stock issued by the Company. The Company is the Plan Sponsor as defined by the Plan and, therefore, these transactions qualify as party-in-interest which are exempt from the prohibited transaction rules.

5. Plan Termination      Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their employer contributions.
6. Tax Status      The Internal Revenue Service has determined and informed the Company by a letter dated June 27, 2005 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.



## 7. Fair Value Measurements

FASB Statement No. 157, Fair Value Measurement, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for Plan assets measured at fair value. There have been no changes in the methodologies used at December 31, 2008 and 2007.

CLARCOR Inc. Common Stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds and common/collective trust: Valued at the net asset value ("NAV") of shares held by the Plan at year-end.

Participant loans: Valued at amortized cost, which approximates fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2008:

## CLARCOR 401(k) Plan

## Notes to Financial Statements

	Level 1	Level 2	Level 3
Common/collective trust	\$ 12,187,043	\$ -	\$ -
Mutual funds	44,548,487	-	-
CLARCOR Inc. Common Stock	4,192,879	-	-
Participant loans	-	-	2,591,716
Total assets at fair value	\$ 60,928,409	\$ -	\$ 2,591,716

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2008

	Participant Loans
Balance, beginning of year	\$ 2,640,490
Realized gains/(losses)	-
Unrealized gains/(losses) relating to Instruments still held at reporting date	-
Purchases, sales issuances and settlements, net	(48,774)
Balance, end of year	\$ 2,591,716

8. Subsequent Events (unaudited) Effective July 1, 2008, further contributions to the CLARCOR Inc. Common Stock Fund were frozen. The CLARCOR Inc. Common Stock Fund will close, and assets therein liquidated, by December 31, 2009. Plan participants have until such date to redirect their assets from this fund into other investment options. In the absence of such designation, the assets will be liquidated and reinvested in the target retirement fund associated with their age group.

CLARCOR 401(k) Plan

Notes to Financial Statements

Effective April 3, 2009, the Company's matching contribution changed from a guaranteed to a discretionary match and the Company ceased making matches on a per pay period basis. Any matches corresponding to periods after April 3, 2009 would be made following the external audit of the Company's 2009 financial statements (expected to occur in January 2010).



Supplemental Schedule



## CLARCOR 401(k) Plan

## Schedule of Assets (Held at End of Year)

EIN: 36-0922490  
Plan Number: 010  
Schedule H, line 4i

December 31,

(a)	(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Shares/Units	(f) Current Value
*	CLARCOR Inc. Common Stock Fund	Company Common Stock		126,368	\$ 4,192,879
*	Vanguard Retirement Savings Trust	Common/Collective Trust		12,187,043	12,187,043
*	Vanguard Prime Money Market Fund	Mutual Fund		3,351,569	3,351,569
*	Vanguard Explorer Fund	Mutual Fund		38,490	1,621,576
*	Vanguard Wellington Fund	Mutual Fund		280,276	6,847,133
*	Vanguard Intermediate Term Investment Grade Fund	Mutual Fund		289,132	2,500,993
*	Vanguard Intermediate Term Treasury Fund	Mutual Fund		373,168	4,515,330
*	Vanguard 500 Index Fund	Mutual Fund		113,890	9,463,142
*	Vanguard Windsor II Fund	Mutual Fund		178,589	3,412,837
*	Vanguard U.S. Growth Fund	Mutual Fund		201,707	2,472,927
*	Vanguard International Growth Fund	Mutual Fund		224,793	2,742,477
*	Vanguard Small Cap Index Fund	Mutual Fund		67,369	1,374,326
*	Vanguard Mid Cap Index Fund	Mutual Fund		162,201	1,913,971

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*	Vanguard Target Retirement Income Fund	Mutual Fund	9,253	88,087
*	Vanguard Target Retirement 2005 Fund	Mutual Fund	13,972	135,387
*	Vanguard Target Retirement 2010 Fund	Mutual Fund	14,627	257,582
*	Vanguard Target Retirement 2015 Fund	Mutual Fund	78,149	746,324
*	Vanguard Target Retirement 2020 Fund	Mutual Fund	20,079	332,707

## CLARCOR 401(k) Plan

## Schedule of Assets (Held at End of Year)

EIN: 36-0922490  
 Plan Number: 010  
 Schedule H, line 4i

December 31,		(c)	(d)	(e)	2008
	(b)	Description of	Cost	Shares/Units	(f)
(a)	Identity of Issuer	Investment			Current Value
*	Vanguard Target Retirement 2025 Fund	Mutual Fund		92,390	\$ 856,454
*	Vanguard Target Retirement 2030 Fund	Mutual Fund		29,992	466,077
*	Vanguard Target Retirement 2035 Fund	Mutual Fund		67,534	624,692
*	Vanguard Target Retirement 2040 Fund	Mutual Fund		17,894	270,737
*	Vanguard Target Retirement 2045 Fund	Mutual Fund		44,279	423,746
*	Vanguard Target Retirement 2050 Fund	Mutual Fund		8,591	130,413
*	Participant Loans	Loans to participants			2,591,716
					\$ 63,520,125

\*Represents party-in-interest.

(d) The cost of participant-directed investments is not required to be disclosed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on their behalf by the undersigned hereunto duly authorized.

CLARCOR 401(k) Plan

By /s/ Richard M. Wolfson

Richard M. Wolfson  
Vice President, General Counsel and Corporate Secretary  
CLARCOR Inc.

Date June 26, 2009

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CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

CLARCOR INC.  
The CLARCOR 401(k) Plan

We consent to the incorporation by reference in Registration Statement No. 333-159666 of CLARCOR Inc. on Form S-8 of our report dated June 26, 2009, related to the financial statements and supplemental schedule of The CLARCOR 401(k) Plan, appearing in this Annual Report on Form 11-K of the CLARCOR 401(k) Plan for the year ended December 31, 2008.

/s/ Horne LLP  
Jackson, Mississippi  
June 26, 2009

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