AMERON INTERNATIONAL CORP
Form 11-K
July 14, 2010

UNITED STATES
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, 2009

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ____________ to ___________

Commission file number 1-9102

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

Ameron International Corporation 401(k) Retirement Savings Plan

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

Ameron International Corporation
245 South Los Robles Avenue
Pasadena, CA 91101-3638

Ameron International Corporation 401(k) Retirement Savings Plan

Report and Financial Statements and Supplemental Schedule
As of December 31, 2009 and 2008 and
For the Year Ended December 31, 2009

Ameron International Corporation
401(k) Retirement Savings Plan
Index to Financial Statements and Supplemental Schedule

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Participants of
Ameron International Corporation 401(k) Retirement Savings Plan
Pasadena, CA

We have audited the accompanying statements of net assets available for benefits of the Ameron International Corporation 401(k) Retirement Savings Plan (the "Plan") as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009. 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 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. The Plan is not required to have, nor were we engaged to perform, an audit of the Plan's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. 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, 2009 and 2008, and the changes in net assets available for benefits for the year ended December 31, 2009 in conformity with U.S. GAAP.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, Line 4i -Schedule of Assets (Held at End of Year) as of December 31, 2009 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ Farber Hass Hurley LLP
Valencia, California
July 13, 2010

Ameron International Corporation
401(k) Retirement Savings Plan
Statements of Net Assets Available for Benefits
As of December 31, 2009 and 2008

	2009	2008
Assets		
Investments, participant directed, at fair value		
Mutual funds	$28,580,984	$23,113,998
Collective trust	14,619,055	12,545,453
Ameron stock fund	6,337,411	5,764,318
Participant loans	994,912	806,102
Total investments	50,532,362	42,229,871
Receivables		
Employer contributions	14,993	242,706
Accrued interest and dividends	-	27,013
Total receivables	14,993	269,719
Total assets	50,547,355	42,499,590
Liabilities		
Corrective distributions payable	145,982	74,754
Net assets available for benefits at fair value	50,401,373	42,424,836
Adjustment from fair value to contract value for fully-benefit responsive investment Contracts	(506,906)	309,064
Net assets available for benefits	$49,894,467	$42,733,900

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

Ameron International Corporation
401(k) Retirement Savings Plan
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2009

Additions to net assets	
Investment income	
Interest and dividends	$419,258
Interest from participant loans	56,971
Net appreciation in fair value of investments	5,299,111
Total investment income	5,775,340
Contributions	
Participant	2,849,777
Employer	369,076
Rollover	202,656
Total contributions	3,421,509
Total additions	9,196,849
Deductions from net assets	
Administrative expenses	80,042
Benefits paid	1,956,240
Total deductions	2,036,282
Net increase in net assets	7,160,567
Net assets available for benefits	
Beginning of year	42,733,900
End of year	$49,894,467

The accompanying notes are an integral part of this financial statement.

Ameron International Corporation
401(k) Retirement Savings Plan
Notes to Financial Statements

1. Description of the Plan

General
The following description of the Ameron International Corporation 401(k) Retirement Savings Plan (the "Plan") provides only general information and is not intended to supersede the Plan agreement. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Effective April 1, 1989, Ameron International Corporation ("Ameron" or the "Company") established the Plan to provide retirement benefits for its eligible employees. The Plan is a qualified defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). At various times, the Plan has been amended to modify certain of its provisions.

Effective February 2, 2009, the Plan terminated their service agreements with The Northern Trust Company (trustee and custodian) and Hewitt Associates (record keeper), and contracted with Wachovia Bank, N.A. as its trustee, custodian and record keeper. As a result, investments held by The Northern Trust Company in the amount of $40,634,502 were transferred to Wachovia Bank, N.A. on February 2, 2009.

Administration
The Plan is administered by an Employee Benefits Committee appointed by the Company's Board of Directors. The Employee Benefits Committee has been given all powers necessary to carry out its duties, including, but not limited to, the power to administer and interpret the Plan, to answer all questions affecting eligibility of participants in the Plan, and to authorize disbursements for the payment of Plan benefits.

Trustee and Custodian
Effective February 2, 2009, Wachovia Bank, N.A. (the "Trustee"), serves as directed trustee and custodian of the Plan. Prior to February 2, 2009, The Northern Trust Company served as directed trustee and custodian. The Trustee is regularly required to provide an accounting of all receipts, disbursements, and transactions made on behalf of the Plan.

Record keeper
Effective February 2, 2009, Wachovia Bank, N.A. (the "Record keeper") serves as the primary record keeper for the Plan. Prior to February 2, 2009, Hewitt Associates served as the primary record keeper for the Plan.

Eligibility
All salaried and non-union hourly employees of the Company, or companies that have adopted the Plan, are eligible to participate in the Plan provided they have attained age 18, been an employee at least 30 days, and are a resident or citizen of the United States of America.

Ameron International Corporation
401(k) Retirement Savings Plan
Notes to Financial Statements

1. Description of the Plan (Continued)

Employee Contributions
Participants may contribute up to 25 percent of their annual compensation, excluding bonuses and overtime wages, as defined in the Plan. The contributions are treated as pre-tax deductions from participants' salaries under the provisions of Section 401(k) of the Internal Revenue Code (the
"Code") and are subject to an annual limit ($16,500 for 2009). In addition, participants who are age 50 or older as of the end of the year may be eligible to make an additional "catch up" contribution as described in the Code. Such maximum additional contribution was $5,500 for 2009. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Participants may elect to have such contributions invested in any of the investment options offered by the Plan. Participants may elect to change future contribution percentages on a daily basis.

Employer Contributions
The Company makes matching contributions equal to 50 percent of each participant's employee pre-tax deferral contribution, up to the first two percent of eligible employee compensation, not to exceed one percent of the employee's eligible annual compensation as defined by the Plan document. Such contributions are made in the form of cash and are credited by pay period to each participant's account. The Company matching contributions were $369,076 during the year ended December 31, 2009.

The Company makes additional matching contributions, adjusted according to the Company's Return on Equity ("ROE"), as defined in the Plan, based on the amount of each participant's contribution, which is greater than 2 percent but not greater than 6 percent of the employee's annual compensation, as follows:

Return on Equity ("ROE")	Company Matching Contribution as a Percentage of Employee Contribution
ROE ≤ 10%	None
10% <ROE ≤ 12%	5%
12% <ROE ≤ 13%	15%
13% <ROE ≤ 14%	30%
14% <ROE ≤ 15%	50%
15% <ROE ≤ 16%	65%
16% <ROE ≤ 17%	80%
17% <ROE ≤ 18%	90%
18% <ROE	100%

The Company's additional matching contributions are made in the form of cash and credited to each participant's account annually, following the public disclosure of the Company's audited financial statements. There were no additional matching contributions related to the year ended December 31, 2009.

1. Description of the Plan (Continued)

Vesting
Each participant shall vest in employer contributions at a rate of 20 percent for each of the participant's years of service with the Company, beginning after the first year of service and such amounts become 100% vested after 5 years. Each participant's contributions and the related net investment income or losses are fully vested as contributions are made and net investment results are allocated. A participant's interest in the Plan becomes fully vested if employment is terminated due to death, total and permanent disability, or retirement at age 65.

Participant Accounts
Each participant's account is credited with the participant's contributions and allocations of the Company's vested and unvested contributions and Plan earnings. Allocations are based on participant contributions or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the vested portion of the participant's account.

Termination
Although it has not expressed any intent to do so, the Company may amend or terminate the Plan at any time, subject to the provisions of ERISA. If the Plan were terminated, the rights of all participants to their interests in the Plan would be fully vested and non-forfeitable.

Participant Loans
Participants may elect to borrow from their investment fund accounts amounts ranging from $1,000 up to the lesser of $50,000 or 50 percent of the participant's vested account balance. Loan transactions are treated as transfers to (from) the investment funds from (to) the participant loans fund. Loan terms range from 1 to 5 years unless the loan is for the purchase of a primary residence in which case, the loan term may be up to 15 years. The interest rate on the loan is prime rate plus 1 percent, and the loan is collateralized by the participant's vested account balance. Interest rates on loans outstanding at December 31, 2009 range from 4.25 to 10 percent per annum. Principal and interest are paid regularly through payroll deductions. Participant loans are subject to Plan rules and restrictions in the Code and ERISA.

Benefit Payments
Upon termination of services, death, disability, or retirement, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. A terminated participant may leave his or her account balance in the Plan, if the balance exceeds $1,000.

Forfeitures
Forfeitures of unvested benefits are used to reduce employer contributions to the Plan. Forfeitures applied to employer contributions were $0 for the year ended December 31, 2009. The unallocated forfeitures balance at December 31, 2009 was $13,547.

Ameron International Corporation
401(k) Retirement Savings Plan
Notes to Financial Statements

1. Description of the Plan (Continued)

Plan Amendments
The Plan was amended during December 2009 in compliance with the most recent government regulations. There were no significant changes to the operation of the plan due to the amendment. Effective September 1, 2008, the Plan was amended to add an automatic enrollment provision. This amendment allows the Employer to withhold 3% from an eligible employee's compensation as an employee contribution to the Plan unless the employee elects a greater or lesser percentage (including zero) through a salary reduction agreement.

2. Summary of Significant Accounting Policies

Basis of Accounting
The Plan's financial statements have been prepared on the accrual basis of accounting.

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. 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.

Investment Valuation and Income Recognition
The Plan's investments in shares of registered investment company mutual funds and Ameron common stock are stated at fair value, based on quoted market prices on the last business day of the Plan year. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements. The Ameron Stock Fund is a unitized fund whose underlying assets consist primarily of Ameron common stock, along with an established level of funds held in a money market account for liquidity purposes. The Ameron Stock Fund's unit price is computed by the Trustee daily, by dividing the Fund's net assets at fair value, by the number of units outstanding, which are determined daily by the record keeper. Participant loans are valued at face value, which approximates fair value. Money market funds are valued at cost plus accrued interest.

The Northern Trust Collective Stable Asset Fund (the "Fund") invests in synthetic guaranteed investment contracts ("SGICs"), and short-term investments to target a stable asset value. The SGICs are fully benefit responsive and meet certain criteria which allow the net assets of the Fund to be reported at contract value. The majority of the SGICs are invested in high quality bonds or units of commingled collective funds.

In a SGIC structure, the Fund purchases a "wrap contract" from an insurance company or bank. The wrap contract references specific fixed income investments owned by the Fund and amortizes the realized and unrealized gains on those investments over their duration through adjustments to the future interest crediting rate (which is the rate earned by participants in the

7

2. Summary of Significant Accounting Policies (Continued)

Fund on the reference investments). When the requirements of the wrap contract are satisfied, the issuer provides assurance that the adjustments to the interest crediting rate do not result in a future interest crediting rate that is less than zero. An interest crediting rate less than zero would result in a loss of principal or accrued interest.

The key factors that influence future interest crediting rates for a wrap contract include: The level of market interest rates, the amount and timing of participant contributions, transfers, and withdrawals into/out of the wrap contract, the investment returns generated by the investments within the wrap contract, and the duration of the underlying investments within the wrap contract.

Wrap contracts' interest crediting rates are typically reset on a monthly or quarterly basis. While there may be slight variations from one contract to another, most wrap contracts use a formula that is based on the characteristics of the underlying investments. All wrap contracts provide for a minimum interest crediting rate of zero percent. In the event that the interest crediting rate should fall to zero and the requirements of the wrap contract are satisfied, the wrap issuers will pay the shortfall needed to maintain the interest crediting rate of zero. The crediting interest rates at December 31, 2009 and 2008 range from 4.55% to 4.56%, respectively. The average yields for the years ended December 31, 2009 and 2008 were 4.59% and 4.60%, respectively.

Purchases and sales of securities are reflected on a trade-date basis. The basis for all securities sold is determined by average cost. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis. In the statement of changes in net assets available for benefits, the Plan presents the net appreciation (depreciation) in fair value of its investments, which consists of the realized gains or losses and unrealized appreciation or depreciation on those investments.

Payments of Benefits
Benefits are recorded when paid.

Administrative Expenses
The Company, at its discretion, may elect to have the Plan pay all or part of administrative expenses. The expenses include, but are not limited to, trustee, legal, and accounting fees.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the reporting period. Actual results could differ from those estimates.

Ameron International Corporation
401(k) Retirement Savings Plan
Notes to Financial Statements

2. Summary of Significant Accounting Policies (Continued)

Risks and Uncertainties
The Plan provides for various investment options in combinations of stocks, bonds, fixed income securities, mutual funds, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. 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 in the near term could
materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

Reclassifications
Certain balances in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. These reclassifications did not have any impact on the statement of net assets available for benefits or the statement of changes in net assets available for benefits.

3. Investments

The fair values of individual investments that represent 5 percent or more of the Plan's net assets are as follows at December 31: