

CRANE CO /DE/  
Form 11-K  
June 29, 2009  
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**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**  
For the fiscal year ended December 31, 2008

OR

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the Transition Period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 1-1657

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:  
AMENDED AND RESTATED CRANE CO. SAVINGS AND INVESTMENT PLAN

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

**100 First Stamford Place**

**Stamford, Connecticut 06902**

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AMENDED AND RESTATED CRANE CO. SAVINGS AND INVESTMENT PLAN

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All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Trustees and Participants of the Amended and Restated Crane Co. Savings and Investment Plan

We have audited the accompanying statements of assets available for benefits of the Amended and Restated Crane Co. Savings and Investment Plan (the Plan ) as of December 31, 2008 and 2007, and the related statements of changes in 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 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 its internal control over financial reporting. Our audits 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, such financial statements present fairly, in all material respects, the assets available for benefits of the Plan as of December 31, 2008 and 2007, and the changes in 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 conducted 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 Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan s management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic 2008 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/ Deloitte & Touche LLP

Stamford, Connecticut

June 29, 2009

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## STATEMENTS OF ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2008 AND 2007

|   | 2008                  | 2007                  |
|---|-----------------------|-----------------------|
| <b><u>ASSETS</u></b>  |                       |                       |
| INVESTMENTS, AT FAIR VALUE:   |                       |                       |
| Non-participant-directed investments, at fair value:  |                       |                       |
| Investment in Master Trust  | \$ 24,478,366         | \$                    |
| Crane Co. Common Stock  |                       | 59,595,334            |
| Participant-directed investments, at fair value:  |                       |                       |
| Investment in Master Trust  | 9,338,040             |                       |
| Mutual Funds  | 111,335,883           | 160,922,789           |
| Common Collective Trust   | 77,127,253            | 75,003,122            |
| Common Stocks   | 59,039                | 14,668,948            |
| Pooled Separate Account   |                       | 17,316,165            |
| Loan Fund   | 8,668,477             | 8,408,989             |
| <b>Total investments</b>  | <b>231,007,058</b>    | <b>335,915,347</b>    |
| RECEIVABLES:  |                       |                       |
| Company contributions   | 1,922,340             | 1,008,903             |
| Employee contributions and loan payments  | 646,514               | 868,448               |
| <b>Total receivables</b>  | <b>2,568,854</b>      | <b>1,877,351</b>      |
| <b>ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE</b>  | <b>233,575,912</b>    | <b>337,792,698</b>    |
| Adjustments from fair value to contract value for fully benefit-responsive investment contracts | 1,317,878             | 293,836               |
| <b>ASSETS AVAILABLE FOR BENEFITS</b>  | <b>\$ 234,893,790</b> | <b>\$ 338,086,534</b> |

*See Notes to Financial Statements*

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## STATEMENTS OF CHANGES IN ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

|  | 2008                  | 2007                  |
|--|-----------------------|-----------------------|
| <b>ADDITIONS:</b>  |                       |                       |
| Contributions:   |                       |                       |
| Employee   | \$ 21,426,404         | \$ 20,923,021         |
| Company  | 8,024,767             | 7,619,538             |
| <b>Total contributions</b>                                   | <b>29,451,171</b>     | <b>28,542,559</b>     |
| Rollovers and transfers from other plans                     | 821,688               | 6,491,194             |
| Investment income (loss):                                    |                       |                       |
| Interest   | 2,378,666             | 623,224               |
| Dividends  | 3,987,841             | 2,861,082             |
| Net (depreciation) appreciation in fair value of investments | (107,503,808)         | 28,379,351            |
| <b>Net investment income (loss)</b>                          | <b>(101,137,301)</b>  | <b>31,863,657</b>     |
| <b>DEDUCTIONS:</b>   |                       |                       |
| Distributions to participants                                | (30,826,101)          | (32,282,730)          |
| Administrative and other expenses                            | (1,502,201)           | (997,681)             |
| <b>Total deductions</b>                                      | <b>(32,328,302)</b>   | <b>(33,280,411)</b>   |
| <b>(DECREASE) INCREASE IN ASSETS</b>                         | <b>(103,192,744)</b>  | <b>33,616,999</b>     |
| <b>ASSETS AVAILABLE FOR BENEFITS:</b>                        |                       |                       |
| Beginning of year  | 338,086,534           | 304,469,535           |
| <b>End of year</b>   | <b>\$ 234,893,790</b> | <b>\$ 338,086,534</b> |

*See Notes to Financial Statements*

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**AMENDED AND RESTATED CRANE CO. SAVINGS AND INVESTMENT PLAN**

Notes to Financial Statements as of and for the years ended December 31, 2008 and 2007

**1. DESCRIPTION OF THE PLAN**

The following is a brief description of the Amended and Restated Crane Co. Savings and Investment Plan (the Plan). Participants should refer to the Plan document and amendments for more complete information and for description of terms used herein.

- A. General The Plan is a defined contribution plan covering certain United States of America ( U.S. ) employees of Crane Co. and its subsidiaries (the Company) and includes a qualified cash or deferred arrangement under Section 401(k) of the Internal Revenue Code of 1986, as amended (the Code). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ( ERISA ). Further, a portion of the Plan is invested in Crane Co. common stock, consisting of (a) Company matching contributions (which is non-participant directed), and (b) participants' deferred savings contributions that participants have elected to invest in the Company Stock Fund, and is qualified as an Employee Stock Ownership Plan, as defined in Section 4975 of the Code. The Master Trust consists solely of the Company common stock. In addition to participant deferral contributions and Company matching contributions on those deferrals, the Plan provides a 2% non-matching Company contribution to participants who are not eligible to participate in the Company-sponsored defined benefit pension plan or the ELDEC money purchase pension plan due to freezing of participation in those plans effective January 1, 2006. Effective June 19, 2008, the Plan changed its trustee and recordkeeper from Prudential Retirement Services ( Prudential ) to The Vanguard Group ( Vanguard ) and a Master Trust Agreement between Crane Co. and Vanguard ( the Master Trust ) was established to hold all Company common stock held by the Plan see Note 4.
- B. Plan Amendments The Plan was amended effective January 1, 1985. The Plan was most recently amended and restated effective January 1, 2008 (the 2008 Restatement ). In addition to incorporating all prior amendments to the Plan since it was last restated in 2002, the 2008 Restatement provided for the following amendments:

Increase the annual deferral limit for non-highly compensated employees from 25% to 75% of compensation;

Permit immediate diversification of a participant's investment in the Company common stock into other investment options;

Prohibit participants who take a hardship withdrawal from making any salary deferral contributions to the Plan for a period of 6 months following the withdrawal;

Permit in-service withdrawals of rollover monies at any time and for any reason;

Provide that changes in elective deferrals, including new enrollments, and investment elections will become effective as soon as administratively practical to reflect electronic administration of plan accounts; and

Other technical amendments reflecting recent statutory and regulatory changes

Effective January 1, 2007, the Telequip Corporation and Noble Composites, Inc. 401(K) Plans (the Merged Plans) were merged into the Plan. The assets in the trusts of the Merged Plans were merged into the trust fund under the Plan following the effective date of the merger. Benefits accrued by participants from and after the effective date of the merger are subject to and in accordance with the provisions of the Plan.

- C. Administration of the Plan The authority to manage, control and interpret the Plan is vested in the Administrative Committee (the Committee ) of the Company. The Committee, which is appointed by the Board of Directors of the Company, appoints the Plan Administrator and is the named fiduciary within the meaning of ERISA.



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- D. Participation Subject to certain conditions, U.S. employees of Crane Co. whose terms of employment are not subject to a collective bargaining agreement are eligible to participate in the Plan upon completing the enrollment process following their date of hire.
- E. Contributions and Funding Policy Participants may elect to contribute to the Plan from one to seventy-five percent of their annual compensation. The contribution limit for highly compensated employees, defined as those whose earnings equal at least \$105,000, is limited to ten percent. Participants who have attained age 50 before the close of the Plan year will be eligible to make Catch-Up Contributions in accordance with, and subject to the limits of, Section 414(v) of the Code. Contributions are invested in funds selected by the participant. The Company contributes on a matching basis an amount equal to 50 percent, of up to the first six percent of each participant's deferred savings. Effective July 1, 2009 the Company determined to reduce its matching contribution to 25 percent of up to the first six percent of each participant's deferred savings. Matching contributions are automatically invested in Company common stock which is part of the Master Trust effective June 19, 2008. In accordance with the Code, participant pretax contributions could not exceed \$15,500 in 2008 and 2007. Discrimination tests are performed annually; any test discrepancies would result in refunds to the participants.
- F. Investments Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers mutual funds, a common collective trust and the Company common stock as investment options for participants.
- G. Expenses Plan administrative expenses that are not otherwise paid out of the Plan assets (except those associated with the Master Trust and the Huttig Co. Stock Fund) are paid by the Company in compliance with the terms of the Plan and Department of Labor guidance. In addition, personnel and facilities of the Company used by the Plan for its accounting and other activities are provided at no charge to the Plan. Commission fees and administrative expenses incurred by the Master Trust and the Huttig Co. Stock Fund are paid by the respective funds through automatic unit deductions. Participant loan fees are paid by the participant through automatic deductions.
- H. Participant Accounts Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution, the Company's matching or other contribution and Plan earnings, and charged with withdrawals and Plan losses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.
- I. Vesting Employee contributions are 100% vested. Vesting for Company contributions are as follows:

| Years of Service        | Vested Interest |
|-------------------------|-----------------|
| Less than 1 year        | None            |
| 1 year but fewer than 2 | 20%             |
| 2 year but fewer than 3 | 40%             |
| 3 year but fewer than 4 | 60%             |
| 4 year but fewer than 5 | 80%             |
| 5 years or more         | 100%            |

Participants whose employment terminates by reason of death, permanent disability or retirement are fully vested. Participants are fully vested upon the attainment of age sixty-five (65).

- J. Forfeited Accounts As of December 31, 2008 and 2007, forfeited non-vested accounts totaled \$363,973 and \$1,359,268, respectively. These accounts will be used to reduce future Company contributions. During the year ended December 31, 2008, Company contributions were reduced by \$687,480 from forfeited non-vested accounts. During the year ended

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December 31, 2007, there were no forfeited non-vested accounts used to reduce Company contributions.

- K. Distributions Upon retirement, disability, termination of employment or death, a participant or designated beneficiary will receive a lump sum payment equal to the participant's account balance. If the participant's account balance is greater than \$1,000, the participant may elect to defer the withdrawal until reaching the age of 65. A participant may apply to the Committee for a distribution in cases of hardship. The Committee has the sole discretion to approve or disapprove hardship withdrawal requests, in accordance with the Internal Revenue Code. Any part of a participant's unvested Company contribution at the time of termination of employment is forfeited and used to reduce future Company contributions or for other proper Plan purposes.

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- L. Rollovers and Transfers from Other Plans Rollovers and transfers from other qualified plans are accepted by the Plan. Rollovers and transfers represent contributions of assets from other qualified plans of companies acquired by the Company and participant account balances of new employees from other non-company qualified plans.
- M. Participant Loans Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Loan transactions are treated as transfers between investment funds and the Loan Fund. Loan terms range from one to five years or up to 15 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at the prevailing prime lending rate as of the date the loan is made, plus two percent. Principal and interest are paid ratably through regular payroll deductions.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the significant accounting policies followed in preparation of the financial statements of the Plan.

- A. Basis of Accounting The financial statements of the Plan have been prepared in conformity with accounting principles generally accepted in the United States of America.
- B. Investment Valuation The Plan's investments are stated at fair value. Fair value of a financial instrument 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. Investments in mutual funds are valued at the closing composite price published for the last business day of the year. The Stable Value Fund and Vanguard Retirement Savings Trust III are common collective trust funds administered by Wells Fargo Bank, N.A. (the Bank) and Vanguard, respectively. The Stable Value Fund invests in investment contracts, traditional guaranteed investment contracts (GICs) and security-backed contracts issued by insurance companies and other financial institutions. The fund seeks to achieve its objective by diversifying among high-credit-quality investments and investment contracts that are structured to smooth market gains and losses over time. The fair value of a GIC is based on the present value of future cash flows using the current discount rate. The fair value of a security-backed contract includes the value of the underlying securities and the value of the wrapper contract. The fair value of a wrapper contract provided by a security-backed contract issuer is the replacement cost, and is based on the wrapper contract fees. The Vanguard Retirement Savings Trust III invests primarily in synthetic investment contracts backed by high-credit-quality fixed income investments and traditional investments issued by insurance companies and banks. The investment in Company common stock and after June 19, 2008, the Master Trust and Huttig Co. Stock Fund are valued at the quoted market price of the respective company's common stock. The S&P 500 Index Fund is a pooled separate account that was administered by Prudential. As of the conversion to Vanguard on June 19, 2008, there no longer exists a pooled separate account. The units of the pooled separate accounts are stated at fair value as determined by the issuer of the pooled separate accounts based on the fair market value of the underlying investments. Participant loans are valued at outstanding loan balance, which approximates fair value.

In accordance with Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and SOP 94-4-1, *Reporting of Fully Benefit-Responsive Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans* (the FSP), the statements of assets available for benefits presents investment contracts at fair value, as well as an additional line item showing an adjustment of fully benefit-responsive contracts from fair value to contract value. The statement of changes in assets available for benefits is presented on a contract value basis and is not affected by the FSP. Fair value of the contract is calculated by discounting the related cash flows based on current yields of similar instruments with comparable durations.

- C. Investment Transactions and Income Recognition Investment transactions are accounted for on the trade date. Dividend income is accounted for on the ex-dividend date. Interest income is recorded on the accrual basis as earned. Total income of each fund is allocated monthly to participants' accounts within the fund based on the participant's relative beginning balance.
- D. Payment of Benefits Benefit payments are recorded when paid.



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- E. *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 assets available for benefits and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.
- F. *Risks and Uncertainties* The Plan utilizes various investment instruments, including mutual funds, common stock funds and a common collective trust. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.
- G. *Fair Value Measurement* In September 2006, the Financial Accounting Standards Board ( FASB ) issued Statement of Financial Accounting Standards No. 157, Fair Value Measurements ( SFAS No. 157 ). SFAS No. 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. The standard applies under other accounting pronouncements that require or permit fair value measurements with certain exceptions. SFAS No. 157 was effective for the Plan on January 1, 2008. The adoption of SFAS No. 157 did not have a material effect on the Plan's net assets available for benefits.

**3. INVESTMENTS**

The Plan's investments whose fair value individually represented 5% or more of the Plan's assets as of December 31, 2008 and 2007:

|   | December 31, 2008 |               | December 31, 2007 |            |
|---|-------------------|---------------|-------------------|------------|
|   | Shares/Units      | Fair Value    | Shares/Units      | Fair Value |
| Investment in Master Trust (a)            | 1,961,508         | \$ 33,816,406 |                   | \$         |
| Crane Co. Common Stock Fund (b)           |                   |               | 1,721,979         | 73,872,919 |
| Jennison Growth Fund Z                    |                   |               | 1,921,687         | 36,243,026 |
| Lord Abbett Mid-Cap Value Fund A          |                   |               | 1,007,869         | 18,665,738 |
| American Balanced Fund A                  |                   |               | 1,169,816         | 22,600,839 |
| Stable Value Fund (c)                     |                   |               | 1,811,111         | 75,003,122 |
| Eaton Vance Large Cap Value Fund A        | 1,474,104         | 21,492,435    | 1,634,572         | 36,859,595 |
| Dryden S&P 500 Index Fund                 |                   |               | 193,566           | 17,316,165 |
| Templeton Foreign Fund A                  |                   |               | 1,945,898         | 24,362,641 |
| American Funds Growth R4 Class            | 1,001,591         | 20,352,328    |                   |            |
| Thornburg International Value Fund        | 617,006           | 11,976,086    |                   |            |
| Vanguard Target Retirement 2015 Fund      | 1,682,709         | 16,067,003    |                   |            |
| Vanguard Retirement Savings Trust III (d) | 77,127,253        | 77,127,253    |                   |            |

- (a) The Investment in Master Trust consisted of participant- directed investments and non-participant-directed investments of \$9,338,040 and \$24,478,366, respectively, at December 31, 2008.
- (b) The Crane Co. Common Stock Fund at December 31, 2007 consisted of participant-directed investments and non-participant-directed investments of \$14,277,585 and \$59,595,334, respectively, at December 31, 2007.
- (c) The Stable Value Fund at contract value amounted to \$75,296,958 at Decemeber 31, 2007.
- (d) The contract value of the Vanguard Retirement Savings Trust III amounted to \$78,445,131 at December 31, 2008.

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The Plan's investments, including gains and losses on investments bought and sold, as well as held during the period, appreciated (depreciated) in value as follows:

|                            | 2008             | 2007          |
|----------------------------|------------------|---------------|
| Mutual Funds               | \$ (64,021,866)  | \$ 12,446,937 |
| Common Collective Trust    | 1,625,686        | 3,139,802     |
| Investment in Master Trust | (40,847,950)     |               |
| Common Stocks              | (2,949,136)      | 11,831,226    |
| Pooled Separate Account    | (1,310,542)      | 961,385       |
|                            | \$ (107,503,808) | \$ 28,379,351 |

**4. INTEREST IN MASTER TRUST**

On June 19, 2008, the Plan established a Master Trust to hold the Crane Co. Common Stock Fund. This trust account at Vanguard ( Trustee ) consists of an undivided interest in an investment account of the Master Trust, and is administered by the Trustee. Use of the Master Trust permits the commingling of trust assets with the assets of the Crane Co. Union Savings and Investment Plan as well as the Eldec Corporation and Interpoint Corporation Retirement Plan with the Plan for investment and administrative purposes. Although assets of these plans are commingled in the Master Trust, the Trustee maintains supporting records for the purpose of allocating the net gain or loss of the investment account to the participating plans. The net investment income of the investment assets is allocated by the Trustee to each participating plan based on the relationship of the interest of each plan to the total of the interests of the three participating plans.

The net assets and investments of the Master Trust at December 31, 2008, are summarized as follows:

|  | 2008          |
|--|---------------|
| Investment in Master Trust at Fair Value             |               |
| Company Common Stock                                 | \$ 35,404,198 |
| Percentage of Total Master Trust related to the Plan | 95.5%         |

The net investment loss of the Master Trust for the period from June 19, 2008 to December 31, 2008, is summarized below:

|   | 2008            |
|---|-----------------|
| Net depreciation in fair value of investments | \$ (41,321,810) |

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In 2007, and from January 1, 2008 through June 19, 2008, a portion of the Crane Co. Common Stock Fund was considered a non-participant-directed investment for the Plan. Information about the net assets and the significant components of the changes in assets relating to this investment were as follows:

|   | December 31,<br>2008                          | December 31,<br>2007               |
|---|---|------------------------------------|
| <b>Assets:</b>                                |   |                                    |
| Common Stock                                  | \$  | \$ 59,595,334                      |
| <br>  |   |                                    |
|   | Period from<br>January 1, to<br>June 19, 2008 | Year ended<br>December 31,<br>2007 |
| <b>Changes in assets:</b>                     |   |                                    |
| Contributions                                 | \$ 3,293,546                                  | \$ 6,515,316                       |
| Dividends                                     | 497,402                                       | 937,341                            |
| Net (depreciation) appreciation               | (2,124,774)                                   | 9,375,588                          |
| Benefits paid to participants                 | (291,468)                                     | (694,786)                          |
| Transfers to participant-directed investments | (2,910,928)                                   | (3,450,716)                        |

Upon the inception of the Master Trust on June 19, 2008, the entire balance of Crane Co. Common Stock Fund was transferred to the Master Trust. A portion of the Master Trust is non-participant-directed because it consists of matching contributions from the Company. Information about the net assets and the significant components of the changes in assets relating to this investment were as follows:

|   | December 31,<br>2008               |
|---|------------------------------------|
| <b>Assets:</b>                                |                                    |
| Investment in Master Trust                    | \$ 24,478,366                      |
| <br>  |                                    |
|   | Year ended<br>December 31,<br>2008 |
| <b>Changes in assets:</b>                     |                                    |
| Contributions                                 | 3,381,939                          |
| Dividends                                     | 543,798                            |
| Net (depreciation) appreciation               | (32,288,756)                       |
| Benefits paid to participants                 | (1,291,053)                        |
| Transfers to participant-directed investments | (3,079,986)                        |

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**6. EXEMPT PARTY-IN-INTEREST TRANSACTIONS**

Certain Plan investments are shares of mutual funds managed by Prudential and Vanguard. Prudential and Vanguard are trustees as defined by the Plan (see Note 1), and, therefore, these transactions qualify as party-in-interest transactions. Balances of these funds at December 31, 2008 and 2007 were \$113,011,200 and \$63,494,279, respectively. These funds earned net investment income (loss) of \$(8,729,158) and \$5,795,823 for the years ended December 31, 2008 and 2007, respectively. Fees incurred for investment management services, if any, were paid by the Plan.

At December 31, 2008 and 2007, the Plan held 1,961,508 and 1,721,979 shares, respectively, of common stock of Crane Co., the sponsoring employer, with a cost basis of \$51,839,529 and \$47,339,555, respectively, and fair value of \$33,816,406 and \$73,872,919, respectively. The shares held by the Plan at December 31, 2008 reflect the Plan's interest in the Master Trust. During the year ended December 31, 2008 and 2007, the Plan recorded investment (loss) income of \$(42,716,922) and \$13,220,101, respectively, related to its investment in the common stock of Crane Co.

Certain officers and employees of the Company (who may also be participants in the Plan) perform administrative services related to the operation and financial reporting of the Plan. The Company pays these individuals salaries and also pays other administrative expenses on behalf of the Plan. Certain fees, to the extent not paid by the Company, are paid by the Plan.

These transactions are not deemed prohibited party-in-interest transactions, because they are covered by statutory and administrative exemptions from the Code and ERISA's rules on prohibited transactions.

**7. PLAN TERMINATION**

The Company expects to continue the Plan indefinitely, but reserves the right to modify, suspend or terminate the Plan at any time, which includes the right to vary the amount of, or to terminate, the Company's contributions to the Plan. In the event of the Plan's termination or discontinuance of contributions hereunder, the interest of each participant in benefits earned to such date, to the extent then funded, is fully vested and non-forfeitable. Subject to the requirements of the Code, the Board of Directors shall thereupon direct the Trustee to either (i) hold the accounts of participants in accordance with the provisions of the Plan without regard to such termination until all funds in such accounts have been distributed in accordance with such provisions, or (ii) immediately distribute to each participant all amounts then credited to the participant's account as a lump sum.

**8. FEDERAL INCOME TAX STATUS**

The Internal Revenue Service has determined and informed the Company by letter dated November 14, 2003 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue