STANLEY BLACK & DECKER, INC.
Form 11-K
June 21, 2010

Table of Contents

FORM 11-K
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

þ **Annual Report pursuant to Section 15(d) of the Securities Exchange Act of 1934**
For the fiscal year ended December 31, 2009

or

o **Transition Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934**
For the transition period from to

Commission file number 1-5224

Stanley Account Value Plan
(Full title of the plan)

Stanley Black & Decker, Inc.
1000 Stanley Drive
New Britain, Connecticut 06053
(Name of issuer of the securities held pursuant to the plan
and the address of its principal executive offices)

Table of Contents

Audited Financial Statements and Supplemental Schedules
Stanley Account Value Plan
Years ended December 31, 2009 and 2008

Stanley Account Value Plan
Audited Financial Statements
and Supplemental Schedules
Years ended December 31, 2009 and 2008
Contents

Table of Contents

Report of Independent Registered Public Accounting Firm

To the Finance and Pension Committee of The Board of Directors
Stanley Black & Decker, Inc.:

We have audited the accompanying statements of net assets available for benefits of the Stanley Account Value 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 the standards of the Public Company Accounting Oversight Board (United States). These 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 presentation of the financial statements. 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 at December 31, 2009 and 2008, and the changes in net assets available for benefits for the year ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules of assets (held at end of year) as of December 31, 2009, and reportable transactions for the year then ended, are presented for the purpose of additional analysis and are 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. The supplemental schedules are the responsibility of the Plan s Management. The supplemental schedules have been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Fiondella, Milone & LaSaracina LLP

Glastonbury, Connecticut
June 21, 2010

Table of Contents

Stanley Account Value Plan
Statement of Net Assets Available for Benefits
December 31, 2009

	Stanley Stock Fund	Loan Fund	Cornerstone Fund	Unallocated Stanley Stock Fund	Mutual and Commingled Funds	Total
Assets						
Investments, at current market value:						
The Stanley Works Common Stock:						
31,398 shares (cost $1,636,464)	$ 1,617,311					$ 1,617,311
3,324,792 shares (cost $107,854,241)	171,260,036					171,260,036
4,351,885 shares (cost $80,770,986)				$ 224,165,596		224,165,596
Short-term investments and other (cost $10,085,659)	8,999,047		$ 340		$ 1,086,272	10,085,659
Mutual funds (cost $47,806,645)					48,424,659	48,424,659
Commingled funds (cost $266,631,084)			92,784,896		178,004,125	270,789,021
	181,876,394		92,785,236	224,165,596	227,515,056	726,342,282
Dividends and interest receivable	1,278				5,119	6,397
Contribution receivable from participants	1,283,089				624,192	1,907,281
Loans to participants		$ 11,483,198				11,483,198
	183,160,761	11,483,198	92,785,236	224,165,596	228,144,367	739,739,158
Liabilities						
Debt				129,025,845		129,025,845
Excess contributions payable					1,555	1,555
Accounts payable	1,592,446				187,107	1,779,553

	1,592,446			129,025,845	188,662	130,806,953
Net assets available for benefits	$ 181,568,315	$ 11,483,198	$ 92,785,236	$ 95,139,751	$ 227,955,705	$ 608,932,205

See accompanying notes.

5

Table of Contents

Stanley Account Value Plan
Statement of Net Assets Available for Benefits
December 31, 2008

	Stanley Stock Fund	Loan Fund	Cornerstone Fund	Unallocated Stanley Stock Fund	Mutual and Commingled Funds	Total
Assets						
Investments, at current market value:						
The Stanley Works Common Stock:						
30,475 shares (cost $1,005,370)	$ 1,039,198					$ 1,039,198
3,630,445 shares (cost $115,203,714)	123,798,516					123,798,516
4,704,184 shares (cost $87,203,953)				$ 160,412,674		160,412,674
Short-term investments and other (cost $4,153,925)	3,448,009	$ 78			$ 705,838	4,153,925
Mutual funds (cost $39,583,354)					39,179,599	39,179,599
Commingled funds (cost $263,725,858)			$ 71,125,812		138,085,039	209,210,851
Collective trust (cost $12,596,718)					12,483,302	12,483,302
	128,285,723	78	71,125,812	160,412,674	190,453,778	550,278,065
Cash					3,215	3,215
Dividends and interest receivable	3,214				105,700	108,914
Other receivable	796,385					796,385
Contribution receivable from employer			11,516,164		887,476	12,403,640
Contribution receivable from participants	593,717				1,636,035	2,229,752
Loans to participants		12,258,289				12,258,289
	129,679,039	12,258,367	82,641,976	160,412,674	193,086,204	578,078,260
Liabilities						
Debt				136,396,603		136,396,603
Excess contributions payable					15,015	15,015

Accounts payable	277,052		38,963		302,116	618,131
	277,052		38,963	136,396,603	317,131	137,029,749
Net assets available for benefits at fair value	$ 129,401,987	$ 12,258,367	$ 82,603,013	$ 24,016,071	$ 192,769,073	$ 441,048,511
Adjustments from fair value to contract value for fully benefit-responsive investment contracts					113,416	113,416
Net assets available for benefits	$ 129,401,987	$ 12,258,367	$ 82,603,013	$ 24,016,071	$ 192,882,489	$ 441,161,927

See accompanying notes.

Table of Contents

Stanley Account Value Plan
Statement of Changes in Net Assets Available for Benefits
Year ended December 31, 2009

	Stanley Stock Fund	Loan Fund	Cornerstone Fund	Unallocated Stanley Stock Fund	Mutual and Commingled Funds	Total
Additions						
Investment income:						
Dividends	$ 4,481,055			$ 5,904,356		$ 10,385,411
Interest	13,098		$ 340		$ 642,832	656,270
	4,494,153		340	5,904,356	642,832	11,041,681
Net appreciation	52,159,408		16,871,462	83,050,952	36,252,911	188,334,733
Employee contributions	4,540,294				16,416,369	20,956,663
	61,193,855		16,871,802	88,955,308	53,312,112	220,333,077
Deductions						
Withdrawals	(12,633,718)	$ (1,533,069)	(7,406,475)		(21,878,718)	(43,451,980)
Administrative expenses	(262,577)		(180,766)		(565,633)	(1,008,976)
Interest expense				(8,101,843)		(8,101,843)
	(12,896,295)	(1,533,069)	(7,587,241)	(8,101,843)	(22,444,351)	(52,562,799)
Interfund transfers in (out)	3,868,768	757,900	897,662	(9,729,785)	4,205,455	
Net increase (decrease)	52,166,328	(775,169)	10,182,223	71,123,680	35,073,216	167,770,278
Net assets available for benefits at beginning of year	129,401,987	12,258,367	82,603,013	24,016,071	192,882,489	441,161,927
Net assets available for benefits at end of year	$ 181,568,315	$ 11,483,198	$ 92,785,236	$ 95,139,751	$ 227,955,705	$ 608,932,205

See accompanying notes

Table of Contents

Stanley Account Value Plan
Notes to Financial Statements
December 31, 2009

1. Description of the Plan

Plan Overview

The Stanley Account Value Plan (the Plan), which operates as a leveraged employee stock ownership plan, is designed to comply with Sections 401(a), 401(k) and 4975(e)(7) of the Internal Revenue Code of 1986, as amended (the Code), and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended. The Plan is a defined contribution plan for eligible United States salaried and hourly paid employees of The Stanley Works (known as Stanley Black & Decker, Inc. on and after March 12, 2010) and its U.S. affiliates (the Company). Each individual employed by the Company as a common law employee who is subject to the income tax laws of the United States is covered by the Plan, unless the individual is a leased employee as defined in the Plan, is in a unit of employees listed in Part I(A) of Appendix A of the Plan, is employed by Stanley Security Solutions, Inc. as a piece worker or contract worker, or is covered by a collective bargaining agreement with the Company with respect to which retirement benefits were the subject of good faith negotiation and, as a result of such negotiation, the collective bargaining agreement does not provide that the individuals covered by such bargaining agreement are to be covered under the Plan. In addition, an individual employed after November 1, 2004, by an entity that first becomes a wholly-owned (direct or indirect) U.S. subsidiary of The Stanley Works after that date is not covered under the Plan during any period in which he or she is employed by the Company, unless Appendix A of the Plan provides for his or her coverage. An individual who is employed by the Company on a temporary assignment from a foreign affiliate (i.e. a holder of a United States Permanent Residence Card or an Employment Authorization Document) is not considered an eligible employee and will not be covered under the Plan during any period for which he or she is eligible to accrue a benefit under a foreign retirement plan that covers employees of the foreign affiliate pursuant to the laws of a country other than the United States. An individual who is paid pursuant to the payroll administered by Stanley Convergent Security Solutions, Inc. at its office in Westlake, Texas, is not considered an eligible employee and will not be covered under the Plan.

Subject to certain additional limitations (including a limitation of 7% of compensation for highly compensated employees), participants may contribute to the Plan through pre-tax payroll deductions up to 15% of their compensation, as defined in the Plan. Non-highly compensated employees have the option of making after-tax contributions to the Plan. Prior to 2009, pre-tax contributions were matched in an amount equal to 50% of the participant s pre-tax contributions up to a maximum matching allocation of 3.5% of the participant s compensation. An amendment to the Plan was adopted, in December 2008, so that no matching allocations would be made under the Plan for any Plan year beginning on or after January 1, 2009. Pursuant to an amendment to the Plan adopted in December 2009, a matching allocation was made under the Plan for the 2009 Plan year on behalf of each participant who had employment status on or after October 1, 2009, in an amount equal to 25% of the participant s pre-tax contributions to the Plan during 2009, up to a maximum total matching allocation of 1.75% of the participant s compensation for 2009.

A participant s contributions and matching allocations are allocated to a Choice Account. Under certain circumstances, participants who have attained age 50 are permitted to make additional, pre-tax contributions (Catch-up Contributions) to the Plan. Catch-up Contributions may exceed certain limitations imposed under the Code and the Plan s percentage limit. Catch-up Contributions are not eligible for matching allocations.

All amounts which are credited to a participant s Choice Account may be invested as directed by the participant in one or more of the investment funds made available by the Plan administrator. Amounts received by the Plan on behalf of a participant in a direct rollover or a direct transfer from a qualified plan of an entity that has been acquired by the Company may be invested as directed by the Plan administrator until such time as the participant provides investment instructions with respect to such amounts.

The allocations credited to a participant s Choice Account as of a date before July 1, 1998 (other than matching allocations credited after June 30, 1985 and other than a participant s after-tax contributions to the Plan) are guaranteed a cumulative minimum return by the Pension Plan for Hourly Paid Employees of The Stanley Works for the period or periods during which they are invested or reinvested, prior to April 1, 1999, in common stock of The Stanley Works or, after March 31, 1999, in the Stanley Stock Fund. (Prior to April 30, 2001, the guarantee was provided for certain participants under The Stanley Works Retirement Plan and for other participants under the Pension Plan for Hourly Paid Employees of The Stanley Works. Effective April 30, 2001, the guarantee is provided through the Pension Plan for Hourly Paid Employees of The Stanley Works). This guarantee provides that the investment return will not be less than an investment return based on two-year U.S. Treasury notes (but not less than 5% nor greater than 12.5%).

The Plan is intended to comply with Section 404(c) of the Employee Retirement Income Security Act (ERISA) by providing employees with at least three diversified investment options plus sufficient information to make informed investment decisions. Under Section 404(c), the Company and the other fiduciaries of the Plan will not be liable for any financial losses that may result from the investment decisions of a participant or beneficiary.

Table of Contents

Stanley Account Value Plan
Notes to Financial Statements (continued)
December 31, 2009

1. Description of Plan (continued)

Choice Account Fund Investments

The following investment funds are offered for Choice Account investments under the Plan:

Stanley Stock Fund The Stanley Stock Fund invests primarily in common stock of The Stanley Works, while maintaining an appropriate level of short-term investments to meet daily liquidity needs. The investment objective of this fund is to provide long-term growth while providing participants with an opportunity to share in the investment performance of The Stanley Works common stock, which is traded on the New York Stock Exchange (NYSE) under the symbol SWK.

State Street Global Advisors (SSgA) S&P 500 Index Fund The investment objective of this fund is long-term growth, subject to market fluctuations characteristic of large capitalization U.S. stocks. Assets will be invested in a diversified portfolio of large stocks with the core style representative of the S&P 500 Index.

SSgA U.S. Total Market Index Fund The investment objective of this fund is long-term growth, subject to market fluctuations characteristic of the overall U.S. stock market. Assets will be invested in a diversified portfolio of large, medium, and small stocks, with both growth and value styles, representative of the Dow Jones U.S. Total Stock Market Index.

SSgA International Index Fund The investment objective of this fund is long-term growth, subject to market fluctuations characteristic of large and medium capitalization non-U.S. stocks. Assets will be invested in a diversified portfolio of international developed market stocks, with both growth and value styles, representative of the Morgan Stanley Capital International Europe, Australasia, Far East Index (MSCI EAFE Index).

SSgA U.S. Extended Market Index Fund This fund seeks long-term growth, subject to market fluctuations characteristic of small and medium capitalization U.S. stocks. Assets will be invested in a diversified portfolio of small and medium capitalization stocks, with growth and value styles, representative of the Dow Jones U.S. Completion Total Stock Market Index.

SSgA U.S. Bond Market Index Fund The investment objectives of this fund are income and preservation of capital. The fund does not guarantee principal, but is expected to provide relatively stable rates of return with moderate fluctuations of market value. Assets will be invested in a diversified portfolio of investment grade fixed income securities representative of the Barclays Capital U.S. Aggregate Bond Index.

Luther King Capital Management (LKCM) Small Cap Equity Fund This fund seeks to maximize long-term growth, subject to market fluctuations characteristic of domestic small and medium capitalization companies. Assets will be invested in a diversified portfolio of small and medium capitalization stocks which are actively managed to target a long-term return, net of fees, in excess of that of the Russell 2000 Index.

Dodge & Cox International Stock Fund This fund seeks long term growth of principal and income, subject to market fluctuations characteristic of large and medium capitalization non-U.S. stocks. Assets will be actively managed and invested in a diversified portfolio of international developed market stocks, with both growth and value styles, representative of the MSCI EAFE Index.

SSgA U.S. Inflation Protected Bond Index Fund Class A This fund seeks to match the returns of the Barclays Capital U.S. Treasury Inflation Protected Securities Index over the long term. The fund invests in a portfolio of U.S. Treasury inflation protection securities, pursuant to a strategy of owning a market-value weight of each security in the Index.

Blackrock LifePath Index Retirement Funds (Target Retirement Funds) These funds are designed to provide a single fund election based on the year closest to when a participant expects to need his or her funds. The investment objective of each fund is to provide a mix of income and long-term capital growth which is adjusted over time to gradually become more conservative as the target year approaches. Target Retirement Funds have been established in five year increments beginning 2015 through 2050. There is also a Target Retirement Income Fund with an asset allocation designed for those who are very close to or already in retirement.

Short Term Investment Fund (STIF) As of December 31, 2009, this fund consists of one underlying fund, the BlackRock Institutional Management (BlackRock) TempFund. The investment objective of this fund is to preserve capital and provide a competitive level of income comparable to other fixed income investments with similar characteristics, but without market fluctuations. The BlackRock TempFund invests primarily in a diversified portfolio of U.S. dollar-denominated money market

Table of Contents

Stanley Account Value Plan
Notes to Financial Statements (continued)
December 31, 2009

1. Description of Plan (continued)

instruments, including government, U.S. and foreign bank, and commercial, obligations and repurchase agreements secured by such obligations. As of December 31, 2008, this fund consisted of two underlying funds, the SSgA Stable Value Fund (Stable Value Fund) and the BlackRock TempFund. Beginning in May 2008, the investments of the STIF in the Stable Value Fund were gradually transferred to the BlackRock TempFund. The Stable Value Fund, a collective investment trust, sought to preserve principal while maintaining a rate of performance comparable to other similar fixed income investments without market fluctuations. The Stable Value Fund was comprised of short-term investment products as well as investment contracts issued by insurance companies, banks and other financial institutions.

Cornerstone Allocations

In 1998, the Plan was amended to provide separate allocations for certain eligible participants. Under this arrangement, eligible participants receive annual allocations to Cornerstone Accounts of 3%, 5% or 9% of compensation depending upon age. A participant is not eligible for these separate allocations (Cornerstone Account allocations) if he or she is covered under a collective bargaining agreement; eligible to accrue a benefit under the Pension Plan for Hourly Paid Employees of The Stanley Works; an employee of Stanley Security Solutions, Inc.; an employee of Stanley Supply & Services, Inc. (other than an employee who was employed by Jensen Tools, Inc. on December 29, 2001); an employee with Stanley Tools at Watseka or Bradley, Illinois or at West Lafayette, Indiana; an employee with Stanley Tools whose primary duties are to provide sales and technical support services to Stanley Tools with respect to its leveling, aligning and plumbing devices product lines; an employee at the Kannapolis, North Carolina distribution center whose employment commences on or after December 1, 2004; an employee of Stanley Access Technologies LLC at Dallas, Texas, Cortland, New York, San Diego, California, or at Denver, Fort Collins or Colorado Springs, Colorado, or at Albuquerque, New Mexico, Mandeville, Louisiana, Indianapolis, Indiana, Burnsville, Minnesota, Memphis, Nashville or Knoxville, Tennessee, Jackson, Mississippi, or Little Rock, Arkansas; an employee of Sargent & Greenleaf, Inc.; an employee of The Stanley Works at Kentwood, Michigan; an employee of National Manufacturing Co. or National Manufacturing Sales Co. whose employment commences on or after January 1, 2007; or an employee of Stanley Convergent Security Solutions, Inc.

Effective June 1, 2001, additional Cornerstone Account allocations are made for active participants who were covered under The Stanley Works Retirement Plan on January 31, 1998. The amount of this additional annual allocation is a percentage of pay based on age and service as set forth in the Plan. Also, certain additional allocations may be made to Cornerstone Accounts in a particular year for designated groups of participants. Until June 23, 2008, Cornerstone Account allocations were invested as directed by the Company or by an investment manager appointed by the Company. Effective June 23, 2008, a participant may direct the investment of 100% of the funds credited to his or her Cornerstone Account among the investment funds made available under the Plan for investment of Cornerstone Accounts. Effective June 23, 2008, each participant s Cornerstone Account balance was automatically transferred to the age appropriate Target Retirement Fund (i.e. the Target Retirement Fund for the year that is closest to the year in which the participant reaches age 65). A participant is able to change the Target Retirement Fund in which his or her Cornerstone Account is invested, by directing, at any time, that his or her Cornerstone Account balance be invested entirely in one of the other Target Retirement Funds made available for investment under the Plan. The regular and additional Cornerstone Account allocations for 2008, that were allocated to a participant s Cornerstone Account in 2009, were automatically invested in the same Target Retirement Fund in which the participant s Cornerstone Account was then invested. If a participant did not already have a Cornerstone Account, the Cornerstone Account allocations for 2008 were automatically invested in the participant s age appropriate Target Retirement Fund.

The Plan was amended in December 2008, so that effective January 1, 2009, all Cornerstone Account allocations under the Plan were discontinued.

Distributions and Vesting

Participants are fully vested as to amounts in their accounts attributable to their own contributions and earnings thereon and amounts transferred or rolled over from other qualified plans on their behalf. All participants who are employed on or after January 1, 2002 are vested in 100% of the value of the matching allocations made on their behalf once they have completed 3 years of service with no vesting in the matching allocations before completion of 3 years of service. Effective January 1, 2007, all participants who are employed on or after January 1, 2007 are vested in 100% of the value of the Cornerstone Account allocations made on their behalf once they have completed 3 years of service.

Benefits generally are distributed upon termination of employment. Normally, a lump-sum distribution is made in cash or shares of the Company s Common Stock (hereinafter referred to as Common Stock, Stanley Stock, or shares), at the election of the participant,

Table of Contents

Stanley Account Value Plan
Notes to Financial Statements (continued)
December 31, 2009

1. Description of Plan (continued)

equal to the value of the Stanley Stock Fund, Cornerstone Fund, and mutual and collective investment fund investments held for the participant at the time of the distribution.

Under the terms of the Plan, a participant who is subject to the restrictions of Section 16(b) of the Securities and Exchange Act of 1934 (Section 16 restrictions), may not elect a transfer of assets from the Stanley Stock Fund to another investment fund or to receive a loan, withdrawal or distribution which is funded in whole or in part from the Stanley Stock Fund (other than a distribution upon termination of employment or pursuant to an annual 55/10 diversification election) if the participant had elected a transfer of assets from another investment fund to the Stanley Stock Fund during the preceding six months. In addition, a participant who is subject to the Section 16 restrictions will not be permitted to elect a transfer of assets to the Stanley Stock Fund from another investment fund if, during the preceding six months, the participant had elected a transfer of assets from the Stanley Stock Fund to another investment fund or to receive a loan, withdrawal or distribution which was funded in whole or in part from the Stanley Stock Fund (other than a distribution upon termination of employment or pursuant to an annual 55/10 diversification election).

Effective January 26, 2003, during the quarterly blackout periods enforced by the Company with respect to trading in Stanley Stock by insiders, the Plan prohibits a restricted participant, as defined in the Plan, from transferring any portion of his of her Choice Account balance into or out of the Stanley Stock Fund, or obtaining a loan, distribution or withdrawal from the Plan to the extent that the loan, distribution or withdrawal would result in the disposition of all or a portion of the participant s interest in the Stanley Stock Fund.

During active employment, subject to financial hardship rules or attainment of age 59 1/2, participants may withdraw a portion of the vested amounts in their Choice Accounts. Under certain circumstances, a participant who has attained age 55 and completed 10 years as a participant in the Plan may withdraw a portion of the funds held in the participant s Choice Account. Also, a participant whose Choice Account holds funds that were transferred to the Plan on behalf of the participant in a direct transfer from another defined contribution plan sponsored by a business that was acquired by the Company (Acquired Plan) may, under circumstances set forth in the Plan, withdraw a portion of such transferred funds held in the participant s Choice Account. Effective November 3, 2008, a participant may, for any reason, withdraw all or a portion of the amount in the participant s Choice Account that is attributable to any after-tax contributions he or she has made to the Plan.

Loan Fund

Participants may borrow from their Choice Accounts up to an aggregate amount equal to the lesser of $50,000 or 50% of the value of their vested interest in such accounts with a minimum loan of $1,000. The $50,000 loan amount limitation is reduced by the participant s highest outstanding loan balance during the 12 months preceding the date the loan is made. Each loan is evidenced by a negotiable promissory note bearing a rate of interest equal to the prime rate as reported in *The Wall Street Journal* on the first business day of the month in which the loan request is processed which is payable, through payroll deductions, over a term of not more than five years. Participants are allowed ten years to repay the loan if the proceeds are used to purchase a principal residence. A participant may not have more than one loan outstanding at any time, except to the extent that, after the participant has taken a loan from the Plan, one or more loans that are not in default are transferred to the Plan on behalf of the participant in a direct transfer from an Acquired Plan. However, if a loan that was in default under an Acquired Plan is transferred to the Plan and no other loans are transferred to the Plan from the Acquired Plan, the participant on whose behalf the defaulted loan is transferred to the Plan may have one loan outstanding from the Plan in addition to the transferred defaulted loan. The amount of a participant s transferred defaulted loan that has not been repaid or offset upon a distributable event with respect to such a participant, including the interest that accrues thereon, is treated as an outstanding loan for purposes of determining the maximum amount of any new loan that may be made to the participant from the Plan.

If a loan is outstanding at the time a distribution becomes payable to a participant (or beneficiary), the distribution is made net of the loan outstanding, and the distribution shall fully discharge the Plan with respect to the participant s account value attributable to the outstanding loan balance.

Unallocated Stanley Stock Fund

The Plan borrowed $95,000,000 in 1989 from a group of financial institutions and $180,000,000 in 1991 from the Company (see Notes 4 and 5) to acquire 5,868,088 and 9,696,968 shares, respectively, of Common Stock from the Company s treasury and previously unissued shares (exempt loans). The shares purchased from the proceeds of the loans were placed in the Unallocated Stanley Stock Fund (the Unallocated Fund). Under the 1989 loan agreement, the Company guaranteed the loan to ensure that there would be annual contributions sufficient to enable the Plan to repay the loan plus interest. Both of the loan agreements were refinanced effective June 30, 1998.

Stanley Account Value Plan
Notes to Financial Statements (continued)
December 31, 2009

1. Description of Plan (continued)

Monthly transfers of shares of Stanley Stock are made from the Unallocated Fund for allocation to participants based on the current period debt principal and interest payments made under each loan as a percentage of total future debt principal and interest payments. Dividends received on allocated and unallocated shares of Stanley Stock and participant and Company contributions are used to make payments under the exempt loans. If dividends on the allocated shares are applied to the payment of debt service, a number of shares of Stanley Stock having a fair market value at least equal to the amount of the dividends so applied are allocated to the Choice Accounts of participants who would otherwise have received cash dividends. Shares of Stanley Stock released from the Unallocated Fund are applied to meet the obligations under the Plan in regard to participant contributions, matching allocations, Cornerstone Account allocations, and dividends paid in connection with allocated shares of Stanley Stock used for payment of debt service.

The Company will make a contribution to the Plan for a Plan year beginning on or after January 1, 2009, of the amount, if any, by which the sum of the value of Stanley Stock released from the Unallocated Fund with respect to the Plan year and the contributions made to the Plan for the Plan year that are not used to make payments under an exempt loan is less than the total of: (i) the participants contributions for the Plan year; (ii) if any matching allocations or Cornerstone Account allocations are made for the Plan year, the amount of such allocations (other than the amount of such allocations attributable to forfeitures) and (iii) any dividends paid on shares of Stanley Stock in the Stanley Stock Fund attributable to participants interests in the Stanley Stock Fund that are used to make payments under an exempt loan for that Plan year. Moreover, the Company will make a contribution to the Plan for a Plan year beginning on or after January 1, 2009, of the amount, if any, by which the amount needed to make payments under exempt loans for the Plan year exceeds the total of: (i) the participants contributions; (ii) dividends paid on shares of Stanley Stock in the Stanley Stock Fund attributable to participants interests in the Stanley Stock Fund that are applied to make payments under an exempt loan for that Plan year; (iii) dividends paid on shares of Stanley Stock in the Unallocated Fund that are applied to make payments under an exempt loan for that Plan year; and (iv) any Company contributions to the Plan for such Plan year that are applied to make payments under an exempt loan for that Plan year. A contribution will be applied in accordance with the terms of the Plan.

For the 2009 Plan year, as discussed previously under the caption Plan Overview, certain matching allocations were made on behalf of certain participants with respect to a portion of their pre-tax contributions to the Plan for 2009. These matching allocations totaled $3,888,489 and were credited to such participants accounts in January 2010. Accordingly, the value associated with these matching allocations for 2009 is reflected in the Statement of Net Assets Available for Benefits for the period ended December 31, 2009, in the Stanley Stock Fund and was transferred to other funds, primarily Mutual and Commingled Funds, pursuant to participants investment elections, in January 2010.

For a Plan year beginning prior to January 1, 2009, if the value of Stanley Stock released from the Unallocated Fund with respect to the Plan year and the contributions made to the Plan for that Plan year that were not used to make payments under an exempt loan exceeded the total of participant contributions, matching and Cornerstone allocations (other than allocations attributable to forfeitures), and dividends paid on allocated shares of Stanley Stock applied to make payments under an exempt loan for the year, such excess value was allocated in shares of Stanley Stock, based on relative compensation, among the participants who were employed by the Company on the last day of the Plan year and who were not described in the third sentence under the heading Cornerstone Allocations in this Note 1. There was no such excess value for 2008.

The value of Stanley Stock released from the Unallocated Fund with respect to the 2009 Plan year and the contributions made to the Plan for that Plan year that were not used to make payments under exempt loans exceeded the total of: (i) the contributions made by participants for the Plan year; (ii) the amount of the matching allocations made for the Plan year (other than matching allocations attributable to forfeitures); and (iii) dividends paid during the Plan year on shares of Stanley Stock in the Stanley Stock Fund attributable to participants interests in the Stanley Stock Fund that were applied to make payments under an exempt loan for the Plan year. The amount of such excess, determined for 2009, was allocated to the Choice Account of each participant who made pre-tax contributions during 2009 and was employed on December 31, 2009. The excess was allocated in the proportion that each such eligible participant s pre-tax contributions for 2009 bore to the aggregate pre-tax contributions of all such eligible participants for 2009. The excess value allocated for 2009 was $892,903, which was allocated to the eligible participant s Choice Accounts in January 2010.

The trust agreement governing the Plan provides that the trustee will vote the shares of Stanley Stock in the Stanley Stock Fund attributable to a participant s Choice Account in the Plan in accordance with such participant s directions. The trust agreement governing the Plan provides that, if the trustee does not receive voting instructions with respect to shares of Stanley Stock in the Stanley Stock Fund attributable to a participant s Choice Account in the Plan, the trustee will vote such shares in the same proportion as it votes the allocated shares for which

Table of Contents

Stanley Account Value Plan
Notes to Financial Statements (continued)
December 31, 2009

1. Description of Plan (continued)

instructions are received from Plan participants. The trust agreement also provides that shares in the Unallocated Fund are to be voted by the trustee in the same proportion as it votes the shares of Stanley Stock in the Stanley Stock Fund attributable to Choice Accounts for which instructions are received from Plan participants. Therefore, by providing voting instructions with respect to shares of Stanley Stock in the Stanley Stock Fund attributable to a participant s Choice Account in the Plan, a Plan participant will, in effect, be providing instructions with respect to a portion of the shares in the Unallocated Fund and a portion of the shares of Stanley Stock in the Stanley Stock Fund attributable to Choice Accounts in the Plan for which instructions were not provided as well. The foregoing provisions are subject to applicable law which requires the trustee to act as a fiduciary for Plan participants. Therefore, it is possible that the trustee may vote shares of Stanley Stock in the Stanley Stock Fund attributable to Choice Accounts in the Plan for which it does not receive instructions (as well as shares held in the Unallocated Fund) in a manner other than the proportionate method described above if it believes that proportionate voting would violate applicable law.

In addition, the trust agreement provides that the trustee will respond to a tender or exchange offer with respect to the number of shares of Stanley Stock in the Stanley Stock Fund attributable to a participant s Choice Account in the Plan in accordance with such participant s directions. If a participant does not direct the trustee as to the manner in which to respond to a tender or exchange offer, such participant will be deemed to have directed the trustee not to tender or exchange shares of Stanley Stock that are attributable to his or her interest in the Stanley Stock Fund. Any such allocated shares with respect to which the trustee has not received timely instructions from a participant will not be tendered or exchanged. Shares of Stanley Stock held by the trustee which have not been allocated to the Choice Account of any participant shall be tendered or exchanged by the trustee in the same proportion as the allocated shares of Stanley Stock as to which the trustee receives instructions (including deemed instructions as described above) are tendered or exchanged. Therefore, by providing instructions as to whether to tender or exchange shares of Stanley Stock in the Stanley Stock Fund attributable to his or her Choice Account (including deemed instructions as described above), a participant will, in effect, be providing instructions with respect to a portion of the shares held in the Unallocated Fund in the Plan. The foregoing provisions are subject to applicable law, which requires the trustee to act as a fiduciary for Plan participants. Therefore, it is possible that the trustee may make decisions regarding the tender or exchange of shares of Stanley Stock held in the Unallocated Fund in a manner other than the proportionate method described above if it believes that this proportionate method would violate applicable law.

The Company reserves the right to amend or terminate the Plan at any time. Upon the termination of the Plan, the interest of each participant in the trust fund will become vested and be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the Code.

The Plan maintains separate accounts for participants. Such accounts are credited with a participant s contributions, matching allocations, Cornerstone Account allocations, related gains, losses, dividend income, and the participant s loan payments.

At December 31, 2009 and 2008, benefits payable to terminated vested participants who had requested their payments were $3,169 and $111,405 respectively.

Forfeited Accounts

During the years ended December 31, 2009 and 2008, amounts forfeited for non-vested accounts totaled $2,593,368 and $506,922, respectively. As of December 31, 2009 and 2008, the balance in the forfeited non-vested account totaled $436,079 and $91,318, respectively. Such forfeitures are applied under the terms of the Plan to fund matching allocations and Cornerstone Account allocations.

2. Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the Plan have been prepared using the modified cash basis of accounting in accordance with U.S. generally accepted accounting principles. Benefit payments to participants are recorded upon distribution.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that can affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Table of Contents

Stanley Account Value Plan
Notes to Financial Statements (continued)
December 31, 2009

2. Significant Accounting Policies (continued)

Adoption of New Accounting Pronouncement

In June 2009, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards 168, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles, (SFAS 168) codified in ASC 105, Generally Accepted Accounting Principles (ASC 105), which establishes the FASB Accounting Standards Codification (ASC) as the single source of authoritative generally accepted accounting principles. The Codification superseded all then-existing non-SEC accounting and reporting standards. The issuance of this statement does not change generally accepted accounting principles; it has, however, changed the applicable citations and naming conventions used when referencing generally accepted accounting principles.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, *Fair Value Measurement* (SFAS 157) codified in ASC 820, Fair Value Measurements and Disclosures (ASC 820). ASC 820 establishes a single definition of fair value and a framework for measuring fair value, sets out a fair value hierarchy to be used to classify the source of information used in fair value measurements, and requires new disclosures of assets and liabilities measures at fair value based on their level in the hierarchy. The Plan adopted SFAS 157 on January 1, 2008.

Investments

As required by FASB Accounting Standards Codification (ASC) 946, Financial Services-Investment Companies (ASC 946), formerly FASB Staff Position AAG INV-1, investments in the accompanying Statement of Net Assets Available for Benefits as of December 31, 2008 include fully benefit-responsive investment contracts and are recognized at fair value. ASC 962, Plan Accounting-Defined Contribution Pension Plans, formerly AICPA Statement of Position 94-4-1, requires fully benefit-responsive investment contracts to be reported at fair value in the Plan s Statements of Net Assets Available for Benefits with a corresponding adjustment to reflect these investments at contract value.

The carrying amounts of all investments are reported at fair value except for the collective trust, which is reported at fair value and then adjusted to contract value as reflected on the Statement of Net Assets Available for Benefits as of December 31, 2008. Contract value represents the principal balance plus accrued interest. The Plan investments consist predominantly of shares of Stanley Stock, commingled funds, mutual funds, and short term investments. Stanley Stock and the mutual funds are traded on a national exchange and valued at the last reported sales price on the last business day of the Plan year. The Stanley Stock Fund and other commingled funds are stated at fair market value on the last business day of the Plan year using independent pricing services. Short-term investments consist of short-term bank-administered trust funds which earn interest daily at rates approximating U.S. Government securities; cost approximates market value.

In 2008 and part of 2009, the Plan invested in the Stable Value Fund, a fully benefit-responsive investment contract (as defined by ASC 946) including primarily guaranteed and synthetic investment contracts issued by banks, insurance companies and other issuers. The Stable Value Fund was recorded at fair value. As required by ASC 946, an adjustment was made to reflect this investment at contract value, which represented cost plus accrued income less redemptions. The fair value of the guaranteed investment contracts was determined using a discounted cash flow methodology where the individual contract cash flows were discounted at the prevailing interpolated interest rate swap rate as of year-end. The fair value of the wrap contracts, a contract that provides market and cash flow protection to a specified portfolio of assets in the Stable Value Fund, reflects the discounted present value of the difference between the current wrap contract cost and its replacement cost, based on issuer quotes. For assets other than investment contracts, including securities underlying synthetic investment contracts, fair value generally was reflected by an independent pricing service that uses methods based on market transactions for comparable securities. Under these guaranteed and synthetic investment contracts, the Stable Value Fund was guaranteed repayment in full of the principal amount plus interest credited at a fixed rate over a specified period. The crediting rate could never be less than zero. The crediting rate was primarily based on the current yield-to-maturity of the covered investments, plus or minus amortization of the difference between the market value and contract value of the covered investment over the duration of the covered investments at the time of computation. There were no reserves against contract value for credit risk. Beginning in May 2008, investments in the Stable Value Fund were gradually transitioned to the BlackRock TempFund. During 2009, this transition was complete and there were no investments in the Stable Value Fund as of December 31, 2009.

Table of Contents

Stanley Account Value Plan
Notes to Financial Statements (continued)
December 31, 2009

2. Significant Accounting Policies (continued)

Average yields of the Stable Value Fund:

	2008
Based on actual income[(1)]	2.71%
Based on interest rate credited to participants[(2)]	3.63%

(1) Computed by dividing the annualized one-day actual earnings of the Stable Value Fund at the year-end date by the fair value of investments on the year-end date.

(2) Computed by dividing the annualized one-day earnings credited to participants on the last day of the year by the fair value of investments on that date.

As of July 1, 2008, the assets of the Plan are held in trust by an independent corporate trustee, The Bank of New York Mellon, (the Trustee) pursuant to the terms of a written Trust Agreement between the Trustee and the Company. Prior to July 1, 2008, the assets of the Plan were held in trust by the former independent trustee, Citibank, N.A.

Investments representing 5% or more of the fair value of net plan assets are as follows:

	December 31, 2009	**December 31, 2008**
The Stanley Works Common Stock*	$397,042,943	$285,250,388
BlackRock TempFund	$ 43,211,180	$ 38,000,417
BGI Lifepath Index 2025 Fund	**	$ 22,246,177
BGI Lifepath Index 2015 Fund	**	$ 22,118,102

* Both participant and

non-participant directed.

** Amount is less than 5% of the Plan s net assets available for benefits.

Dividend Income

Dividend income is accrued on the ex-dividend date.

Gains or Losses on Sales of Investments

Gains or losses realized on the sales of investments are determined based on average cost.

Expenses

Administrative expenses not paid by the Plan are paid by the Company.

3. Fair Value Measurements

ASC 820 requires the Plan to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Plan s market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1 Quoted prices for identical assets or liabilities in active markets.

Level 2 Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations whose inputs and significant value drivers are observable.

Level 3 Assets or liabilities that are valued using unobservable inputs.

Table of Contents

Stanley Account Value Plan
Notes to Financial Statements (continued)
December 31, 2009

3. Fair Value Measurements (continued)

The following table summarizes the fair values and levels within the fair value hierarchy in which the fair value measurements fall for assets measured on a recurring basis:

	Fair Value at December 31, 2009			
	Total	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Stanley Stock	$397,042,943	$225,782,907	$171,260,036	
Mutual Funds	48,424,659	48,424,659		
Commingled Funds	280,874,680		280,874,680	
Participant Loans	11,483,198			$11,483,198
Total	$737,825,480	$274,207,566	$452,134,716	$11,483,198

	Fair Value at December 31, 2008			
	Total	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Stanley Stock	$285,250,388	$161,451,872	$123,798,516	
Mutual Funds	39,179,599	39,179,599		
Commingled Funds	213,364,776		213,364,776	
Collective Trust	12,483,302		12,483,302	
Participant Loans	12,258,289			$12,258,289
Total	$562,536,354	$200,631,471	$349,646,594	$12,258,289

The following is a reconciliation of the beginning and ending balances, including total gains (losses), realized and unrealized, during 2009 for Level 3 investments:

	Beginning Balance	Net Issuances, Repayments and Withdrawals	Ending Balance
Participant Loans	$12,258,289	$ (775,091)	$11,483,198

4. Debt

Debt consisted of the following at December 31:

	2009	2008
Notes payable in monthly installments to 2009 with interest at 6.07%	$	$ 1,270,763
Notes payable to the Company in monthly installments to 2028 with interest at 6.09%	129,025,845	135,125,840

	$ 129,025,845	$ 136,396,603

The scheduled maturities of debt for the next five years are as follows: 2010 $7,899,996; 2011 $7,700,004; 2012 $7,500,000; 2013 $7,400,004 and 2014 $7,200,000.

The number of shares held in the Unallocated Fund is reduced as shares are released to the Stanley Stock Fund pursuant to principal and interest payments. During 2009 and 2008, 352,299 and 367,786 shares, respectively, were released and at December 31, 2009 and 2008, 4,351,885 and 4,704,184 shares, respectively, are unallocated. Payment of the Plan s debt has been guaranteed by the Company. Should the principal and interest due exceed the dividends paid on shares in the Stanley Stock and Unallocated Funds, and employee and Company matching contributions, the Company is responsible for funding such a shortfall. There were no such debt service funding shortfalls in 2009 or 2008.

5. Transactions with Parties-in-Interest

Fees paid during 2009 and 2008 for management and other services rendered by parties-in-interest were based on customary and reasonable rates for such services. The majority of such fees were paid by the Plan. Fees paid by the Plan during 2009 and 2008 were $1,008,976 and $792,996, respectively.

In 1991, the Plan borrowed $180,000,000 from the Company, the proceeds of which were used to purchase 9,696,968 shares of Company stock for the Plan. In 1998, the Plan borrowed $2,831,378 from the Company, the proceeds of which were used to pay a prepayment penalty incurred in connection with debt refinancing. The Plan made $14,158,088 and $12,154,257 of principal and interest payments related to this debt in 2009 and 2008, respectively. At December 31, 2009 and 2008, $129,025,845 and $135,125,840, respectively, was outstanding on such debt.

Table of Contents

Stanley Account Value Plan
Notes to Financial Statements (continued)
December 31, 2009

6. Income Tax Status

The Internal Revenue Service has ruled that the Plan and the trust qualify under Sections 401(a) and 401(k) of the Code and are therefore not subject to tax under present income tax law. Once qualified, the Plan is required to operate in accordance with the Code to maintain its qualification. The Company is not aware of any course of action or series of events that have occurred that might adversely affect the Plan s qualified status. An updated determination letter regarding the Plan was issued by the IRS on December 6, 2004, at which time the IRS stated that the form of the Plan, as then designed, was in compliance with applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator, which consults regularly with outside legal counsel regarding Plan matters, believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan s financial statements.

7. Assets Transferred from Certain Acquired Plans

Reflected in employee contributions in the accompanying Statement of Changes in Net Assets Available for Benefits for the year ending December 31, 2009 are $244,236 of assets that were transferred to the Plan from certain acquired plans pursuant to the termination and liquidations of such plans. These transfers were made on behalf of former participants in the ISR Solutions 401(k) Plan (ISR plan) and the Gregory Smith Corporation 401(k) Plan (GSC plan). The transferred plan assets were allocated to the Choice Accounts of the pertinent individuals, and invested under the Plan either in core funds (investment options, other than Target Retirement Funds, offered under the Plan) that corresponded to the individual s ISR or GCS plan funds as of a specified date, or in a Target Retirement Fund, depending upon whether, as of the pertinent date, the individual s investment election for his or her Choice Account was core funds or one Target Retirement Fund. If an individual did not have a Choice Account in the Plan, a Choice Account was established for that individual and his or her transferred plan assets were invested in the core funds in the Plan that corresponded to the investment funds in which his or her ISR plan or GSC plan funds were invested on the pertinent date.

8. Risks and Uncertainties

The Plan invests in various investment securities which are exposed to certain risks including interest rate, market, currency and credit risks. Accordingly, material changes in the value of the investment securities could occur affecting the future value of participant accounts (inclusive of participant holdings of the Company s common stock) as well as the unallocated fund balance as presented in the Statements of Net Assets Available for Benefits. Risks and uncertainties specifically related to the Company s common stock include those set forth in the Company s Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission.

9. Subsequent Events

Effective for Plan years beginning on and after January 1, 2010, a participant s Choice Account will automatically be credited with matching allocations with respect to a payroll cycle equal to 50% of the participant s pre-tax contributions for the payroll cycle, taking into account only pre-tax contributions that do not exceed 7% of compensation for the payroll cycle. Therefore, the maximum matching allocation with respect to a participant s pre-tax contributions for a payroll cycle is 3.50% of the participant s compensation for such payroll cycle. Matching allocations with respect to a payroll cycle are allocated to the Choice Account of a participant on whose behalf such allocations are made as soon as practicable after compensation is paid to the participant with respect to the payroll cycle.

In addition, effective for Plan years beginning on and after January 1, 2010, there has been a reinstatement of Cornerstone Account allocations of 3%, 5% or 9% of compensation depending upon age, and a reinstatement of additional Cornerstone Account allocations on behalf of eligible Plan participants who were covered under The Stanley Works Retirement Plan on January 31, 1998. Cornerstone Account allocations are determined in notional, quarterly credits. In order to receive a Cornerstone Account credit for a calendar quarter that ends on or after March 31, 2010, an eligible Plan participant must be employed on the last day of such calendar quarter and not be employed in a classification that is excluded from Cornerstone Account allocations, as described in Note 1.

Effective April 1, 2010, an individual is covered under the Plan if the individual is employed by Stanley Black & Decker, Inc. (known, prior to March 12, 2010, as The Stanley Works) pursuant to the Executive Chairman Agreement, as defined in the Agreement and Plan of Merger, dated as of November 2, 2009, among The Black & Decker Corporation, The Stanley Works and Blue Jay Acquisition Corp. (the Executive Agreement). Also, effective April 1, 2010, a participant who is employed by Stanley Black & Decker, Inc. pursuant to the Executive Agreement is excluded from Cornerstone Account allocations.

Effective April 1, 2010, for purposes of the allocation of Stanley Stock from the Unallocated Fund to the Stanley Stock Fund on behalf of participants for whom new allocations to the Choice Accounts are to be invested in the Stanley Stock Fund, shares of Stanley Stock will be valued as of the close of trading on the NYSE on the last trading day prior to the date of allocation. Shares of Stanley Stock, or the proceeds from the sale of shares of Stanley Stock, will be allocated as soon as practicable after the date as of which the shares or proceeds from the sale of shares are to be credited. For this purpose, shares of Stanley Stock, or the proceeds from the sale of shares of Stanley Stock, will be credited with respect to participants contributions and matching allocations as of the date on which compensation is paid in regard to the applicable payroll cycle. An allocation of shares of Stanley Stock will be made from the Unallocated Fund to the Stanley Stock Fund pursuant to an investment election of the Stanley Stock Fund that is implemented with respect to a participant s Choice Account. In the case of an election of an investment fund other than the Stanley Stock Fund, an allocation shall be made to the participant s Choice Account of proceeds from the sale of Stanley Stock, and such proceeds shall be credited to such investment fund. An additional allocation will be made under the Plan for a Plan year beginning on or after January 1, 2010, of the amount, if any, by which the value of Stanley Stock released from the Unallocated Fund with respect to the Plan year and the contributions made to the Plan for the Plan year that are not used to make payments under an exempt loan exceeds the total of: (i) the contributions made by participants for the Plan year; (ii) the amount of the matching allocations and Cornerstone Account allocations made for such Plan year (other than amount of such allocations attributable to forfeitures); and (iii) dividends paid during the Plan year in regard to shares of Stanley Stock in the Stanley Stock Fund attributable to participants interests in the Stanley Stock Fund that are applied to make payments under an exempt loan for such Plan year. Such excess will be allocated to the Choice Account of each participant who made pre-tax contributions during the Plan year, is not covered by a collective bargaining agreement, and is employed on the last day of such Plan year, in the proportion that each such eligible participant s pre-tax contributions for the Plan year bears to the aggregate pre-tax contributions of all such eligible participants for the Plan year. In the event of a change in control of Stanley Black & Decker, Inc., any such additional allocation for the Plan year of the change in control will be allocated to participants, without regard to whether they made pre-tax contributions during such Plan year, are covered by a collective bargaining agreement or are employed on the last day of such Plan year. The additional allocations that are made in the event of a change in control will be allocated to the Choice Accounts of eligible participants in the proportion that each such participant s compensation for the Plan year bears to the aggregate compensation of all such participants for the Plan year.

Table of Contents

Stanley Account Value Plan
Schedule H, Line 4(i) Schedule of Assets (Held At End of Year)
EIN-06-0548860
Plan Number 009
December 31, 2009

Identity of Issue, Borrower, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Par or Maturity Value	Cost	Current Value
Common Stock:			
The Stanley Works*	7,708,075 shares of Common Stock; par value $2.50 per share	$ 190,261,691	$ 397,042,943
BNY Mellon*	EB Temporary Investment FD II	10,085,659	10,085,659
Mutual Funds:			
BlackRock	BlackRock TempFund	43,211,180	43,211,180
Dodge & Cox	International Stock Fund	3,252,740	3,657,478
Luther King Capital Management Corporation	Small Cap Equity Fund	1,342,725	1,556,001
Commingled Funds:			
State Street Global Advisor	S&P 500 Index Fund	28,477,490	29,177,029
State Street Global Advisor	International Index Fund	28,170,755	28,475,134
State Street Global Advisor	Extended Market Fund	20,855,626	21,904,928
State Street Global Advisor	Total Market Index Fund	20,445,479	20,920,360
State Street Global Advisor	Bond Market Index Fund	17,526,175	19,289,752
State Street Global Advisor	Passive TIPS Funds	8,485,504	9,082,636
Barclays Global Investors, N.A.	LifePath Index Retirement Fund	17,886,753	18,120,305
Barclays Global Investors, N.A.	LifePath Index 2015 Fund	28,181,148	28,459,593
Barclays Global Investors, N.A.	LifePath Index 2020 Fund	26,699,224	26,607,751
Barclays Global Investors, N.A.	LifePath Index 2025 Fund	30,134,238	29,590,045
Barclays Global Investors, N.A.	LifePath Index 2030 Fund	17,566,550	17,230,177
Barclays Global Investors, N.A.	LifePath Index 2035 Fund	11,760,368	11,509,495
Barclays Global Investors, N.A.	LifePath Index 2040 Fund	6,470,260	6,364,932
Barclays Global Investors, N.A.	LifePath Index 2045 Fund	3,034,882	3,004,476
Barclays Global Investors, N.A.	LifePath Index 2050 Fund	936,632	1,052,408
Total investments		514,785,079	726,342,282
Loans to participants*	Promissory notes at prime rate with maturities up to twenty seven years (ranging from 3.25% to 10.5%)		11,483,198
Total		$ 514,785,079	$ 737,825,480

* Indicates party-in-interest to the Plan.

Table of Contents

Stanley Account Value Plan
Schedule H, 4(j) Schedule of Reportable Transactions
EIN 06-0548860
Plan Number 009
Year ended December 31, 2009

Description of Asset	Number of Purchases	Number of Sales	Purchase Amount	Sales Amount	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain on Sale

Category (i) Single transaction in excess of 5% of plan assets.
None
Category (ii) Series of transactions with the same person involving property other than securities and aggregating to more than 5% of plan assets.
None
Category (iii) Series of transactions of the same issue in excess of 5% of plan assets.
None
Category (iv) Single transaction with the same person in excess of 5% of plan assets.
None

19

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Stanley Account Value Plan has duly caused this annual report to be signed on its behalf by the undersigned hereto duly authorized.

Stanley Account Value Plan

Date: June 21, 2010	By: /s/ Mark Mathieu
	Mark Mathieu
	Vice President, Human Resources

20

Index to Exhibits

Exhibit No.	Description
23.1	Consent of Independent Registered Public Accounting Firm