Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
LASERCARD CORPORATION 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1991

2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
LASERCARD CORPORATION

1875 N. SHORELINE BLVD.
MOUNTAIN VIEW, CA 94043

1875 N. SHORELINE BLVD.
MOUNTAIN VIEW, CA 94043

2b Employer Identification Number (EIN)
77-0233102

2c Sponsor's telephone number
650-969-4428

2d Business code (see instructions)
334610

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	07/13/2010	STEVEN LARSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") LASERCARD CORPORATION 1875 N. SHORELINE BLVD. MOUNTAIN VIEW, CA 94043	**3b** Administrator's EIN 77-0233102 **3c** Administrator's telephone number 650-969-4428

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: **a** Sponsor's name	**4b** EIN **4c** PN	

5	Total number of participants at the beginning of the plan year	**5**	134
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	114
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	22
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	136
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	136
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	128
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	6
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2K 2T 3D 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)		**9b** Plan benefit arrangement (check all that apply)	
(1)	Insurance	**(1)**	Insurance
(2)	Code section 412(e)(3) insurance contracts	**(2)**	Code section 412(e)(3) insurance contracts
(3) X	Trust	**(3)** X	Trust
(4)	General assets of the sponsor	**(4)**	General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- **(1)** X **R** (Retirement Plan Information)
- **(2)** **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- **(1)** X **H** (Financial Information)
- **(2)** **I** (Financial Information – Small Plan)
- **(3)** ___ **A** (Insurance Information)
- **(4)** X **C** (Service Provider Information)
- **(5)** **D** (DFE/Participating Plan Information)
- **(6)** **G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2009** **This Form is Open to Public Inspection.**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan	**B** Three-digit plan number (PN) ▶	
LASERCARD CORPORATION 401(K) PLAN		001
C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number (EIN)	
LASERCARD CORPORATION	77-0233102	

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
64 65 37 60	RECORDKEEPER	6625	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
NORTHERN SM CAP VAL - NORTHERN TRUS 50 SOUTH LASALLE STREET CHICAGO, IL 60603	0.35%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
RS VALUE A - BOSTON FINANCIAL DATA 04-2526037	0.55%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
VICTORY DIVERS STK A - BISYS FUND S 13-3532663	0.35%

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
WFA SM CAP VAL INV - BOSTON FINANCI 04-2526037	0.35%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

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Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN;
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN;
c Position:	
d Address:	**e** Telephone:

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
LASERCARD CORPORATION 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
LASERCARD CORPORATION

D Employer Identification Number (EIN)
77-0233102

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	784551	872635
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	159295	176227
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	3798553	5056681
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	4742399	6105543
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	4742399	6105543

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	73812	
	(B) Participants	2a(1)(B)	539281	
	(C) Others (including rollovers)	2a(1)(C)	59607	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		672700
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	5431	
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	8065	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		13496
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	66880	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		66880
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		1252666
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		2005742
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	615975	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		615975
f Corrective distributions (see instructions)	2f		10514
g Certain deemed distributions of participant loans (see instructions)	2g		9477
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	6632	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		6632
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		642598
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		1363144
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: SENSIBA SAN FILIPPO LLP (2) EIN: 94-2370906

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		1000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
LASERCARD CORPORATION 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
LASERCARD CORPORATION

D Employer Identification Number (EIN)
77-0233102

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 04-6568107

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

LASERCARD CORPORATION 401(K) PLAN

Financial Statements
December 31, 2009 and 2008

Together with
Independent Auditors' Report

SENSIBA SAN FILIPPO LLP
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
LaserCard Corporation 401(k) Plan

We were engaged to audit the statement of net assets available for benefits of the LaserCard Corporation 401(k) Plan as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the years then ended, and the supplemental schedule of assets (held at end of year) as of December 31, 2009. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by the Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of December 31, 2009 and 2008, and for the years then ended, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

San Mateo, California
June 29, 2010

LASERCARD CORPORATION 401(K) PLAN

Statement of Net Assets Available for Benefits

	December 31, 2009	December 31, 2008
Assets		
Investments, at fair value	$ 5,929,316	$ 4,583,104
Participant loans	176,227	159,295
Net assets available for benefits	$ 6,105,543	$ 4,742,399

The accompanying notes are an integral part of these financial statements

LASERCARD CORPORATION 401(K) PLAN

Statement of Changes in Net Assets Available for Benefits

	Year Ended December 31, 2009	Year Ended December 31, 2008
Additions (reductions) to net assets attributed to:		
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	$ 1,252,666	$ (2,568,005)
Interest income	80,377	180,635
Total investment income (loss)	1,333,043	(2,387,370)
Contributions:		
Employer	73,812	107,762
Participants	539,281	620,154
Rollovers	59,607	-
Total contributions	672,700	727,916
Total additions (reductions)	2,005,743	(1,659,454)
Deductions from net assets attributed to:		
Benefits paid to participants	635,967	454,214
Administrative expenses	6,632	6,518
Total deductions	642,599	460,732
Net increase (decrease) in net assets	1,363,144	(2,120,186)
Net assets available for benefits:		
Beginning of year	4,742,399	6,862,585
End of year	$ 6,105,543	$ 4,742,399

The accompanying notes are an integral part of these financial statements

LASERCARD CORPORATION 401(K) PLAN

Notes to Financial Statements

December 31, 2009

Note 1 – Description of Plan

The following description of the LaserCard Corporation ("Company") 401(k) Plan ("Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General – The Plan is a defined contribution plan that covers substantially all employees of the Company who are age twenty one or older. Employees may enroll on the first day of the month following their hire date. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions – Each year, participants may contribute up to 100% of pretax annual compensation as defined in the Plan document. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified retirement plans. Participants direct the investment of their account balances into various investment options offered by the Plan. Participants may change their investment options daily. The Plan currently offers thirty mutual funds as investment options for participants. The Company may make matching employer contributions to the Plan. Additionally, the Company may make discretionary non-elective employer contributions to the Plan. Such discretionary Company contributions are allocated, to each participant who is eligible to share, in the same ratio that each participant's testing compensation, as defined, bears to the total compensation of all participants eligible to share. No contributions were made for 2009 and 2008. Contributions are subject to certain limitations.

Participants' accounts – Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution, and (b) Plan earnings, and charged with an allocation of administrative expenses. 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.

Vesting – Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. A participant is 100% vested after four years of credited service.

In 2009 and 2008, administrative expenses of approximately $6,600 and $6,500, respectively, were paid by forfeited non-vested accounts. At December 31, 2009 and 2008, ending balances in forfeited non-vested accounts amounted to approximately $720 and $5,100, respectively.

LASERCARD CORPORATION 401(K) PLAN

Notes to Financial Statements

December 31, 2009

Note 1 – Description of Plan (continued)

Participant loans – Participants may borrow from their accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their account balance, whichever is less. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Participant notes fund. The loans are secured by the balance in the participant's account and bear interest at rates that range from 3.25% to 8.25%, which are commensurate with local prevailing rates as determined quarterly by the Plan administrator. Principal and interest are paid ratably through payroll deductions.

Investment management fees and operating expenses - Investment management fees and operating expenses charged to the Plan for investments in the mutual funds are deducted from income earned on a daily basis and are reflected as a component of net appreciation (depreciation) in fair value of investments.

Administrative expenses - Substantially all administrative expenses of the Plan are paid by the Company. Separate fees for loan processing and certain investments as specified in the service agreement, are charged to individual participant's accounts.

Payment of benefits – On termination of service due to death, disability, retirement or separation from service, participants may receive benefits in a lump sum, in accordance with the Plan. In certain other circumstances, participants may receive in-service distributions in a lump sum.

Note 2 – Summary of Significant Accounting Policies

Financial statement preparation - In June 2009, the Financial Accounting Standards Board ("FASB") issued *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles*. This statement modifies the Generally Accepted Accounting Principles ("GAAP") hierarchy by establishing only two levels of GAAP, authoritative and non-authoritative accounting literature. Effective July 2009, the FASB Accounting Standards Codification ("ASC"), also known collectively as the Codification, is considered the single source of authoritative U.S. accounting and reporting standards. This statement applies beginning in 2009. All accounting references herein have been updated, and therefore references to Statements of Financial Accounting Standards have been replaced. The issuance of the Codification did not change GAAP and therefore its adoption by the Plan will only affect how specific references to GAAP literature are disclosed in the notes to the financial statements.

Basis of accounting - The accompanying financial statements of the Plan have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Contributions from participants are recorded when withheld from the participant. Benefit payments to participants are recorded when paid.

LASERCARD CORPORATION 401(K) PLAN

Notes to Financial Statements

December 31, 2009

Note 2 – Summary of Significant Accounting Policies (continued)

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Investment valuation and income recognition – The Plan's investments are stated at fair value. The fair value of units in registered investment companies (mutual funds) are valued at the net asset value of shares held by the Plan at year end. Participant loans are valued at their outstanding balances, which approximate fair value.

Fair value measurements - In September 2009, the FASB issued authoritative guidance on estimating the fair value of a company's investments in investments companies when the investment does not have a readily determinable fair value. It permits the use of the investment's net asset value as a practical expedient to determine fair value. This guidance also required additional disclosure of the attributes of these investments such as: (i) the nature of any restrictions on the reporting entity's ability to redeem its investment; (ii) unfunded commitments; and (iii) investment strategies of the investees. This guidance is effective for periods ending after December 15, 2009. The adoption did not have a material impact on the Plan's financial condition or results of operations and all applicable disclosures are included in these financial statements.

Net appreciation (depreciation) in fair value of investments – The earnings, expenses, realized gains or losses, and unrealized appreciation (depreciation) in registered investment companies are recorded in the accompanying financial statements as net appreciation (depreciation) in fair value of investments.

Risks and uncertainties - The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

Subsequent event - Subsequent events that provide additional evidence about conditions that existed at the date of the statement of net assets available for benefits are recognized in the financial statements. For non-recognized subsequent events, the Plan discloses the nature of the event as well as an estimate of its financial effect, or a statement that such an estimate cannot be made. The Plan has evaluated subsequent events through the date that the financial statements are available to be issued which is the date of the auditors' report.

Payment of benefits – Benefit payments to participants are recorded when paid.

Note 2 – Summary of Significant Accounting Policies (continued)

Recent accounting pronouncements - In January 2010, the FASB issued Accounting Standards Update No. 2010-06, Improving Disclosures about Fair Value Measurements (Topic 820) - Fair Value Measurements and Disclosures (ASU 2010-06) to add additional disclosures about the different classes of assets and liabilities measured at fair value, the valuation techniques and inputs used, the activity in Level 3 fair value measurements, and the transfers between Levels 1, 2, and 3. Levels 1, 2 and 3 of fair value measurements are defined in Note 3. The Plan will adopt this new accounting standards update in the year ending December 31, 2010 except for the provisions of this update that will be effective in the year ending December 31, 2011. The Plan is currently evaluating the impact of its pending adoption on the Plan's financial statements.

Reclassifications - Certain reclassifications have been made to the prior year financial statements to conform to the current year's presentation. Such reclassifications had no effect on previously reported statement of changes in net assets available for benefits or net assets available for benefits.

Note 3 – Fair Value Measurements

The Plan performs fair value measurements in accordance with ASC 820 Fair Value Measurements. ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy are described below:

- Level 1: quoted prices in active markets for identical assets or liabilities;

- Level 2: inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

- Level 3: unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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

Note 3 – Fair Value Measurements (continued)

Investments measured at fair value on a recurring basis consisted of the following types of instruments as of December 31, 2009 and 2008 (Level 1, 2, and 3 inputs are defined above):

	Fair Value Measurements Using Input Type			
As of December 31, 2009:	Level 1	Level 2	Level 3	Total
Mutual funds	$ 5,929,316	$ -	$ -	$ 5,929,316
Participant loans	-	-	176,227	176,227
Total investments measured at fair value	$ 5,929,316	$ -	$ 176,227	$ 6,105,543

	Fair Value Measurements Using Input Type			
As of December 31, 2008:	Level 1	Level 2	Level 3	Total
Mutual funds	$ 4,583,104	$ -	$ -	$ 4,583,104
Participant loans	-	-	159,295	159,295
Total investments measured at fair value	$ 4,583,104	$ -	$ 159,295	$ 4,742,399

The Plan's valuation methodology used to measure the fair values of mutual funds were derived from quoted market prices as all of these instruments have active markets. The valuation techniques used to measure fair value of participant loans above, all of which mature by the end of 2018 and are secured by vested account balances of borrowing participants, were derived using a discounted cash flow model with inputs derived from unobservable market data. The participant loans are included at their carrying values, in the statement of net assets available for benefits, which approximated their fair values at December 31, 2009 and 2008.

The tables below set forth a summary of changes in the fair value of the Plan's level 3 assets for the years ended December 31, 2009 and 2008.

	Level 3 Assets Participant Loans 2009	Level 3 Assets Participant Loans 2008
Balance as of January 1, 2009	$ 159,295	$ 116,439
New 2009 loans	79,332	85,162
Repayments	(45,963)	(42,306)
Deemed distributions	(16,437)	-
Balance as of December 31, 2009	$ 176,227	$ 159,295

LASERCARD CORPORATION 401(K) PLAN

Notes to Financial Statements

December 31, 2009

Note 4 – Investments

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information certified by Fidelity Management and Trust Company, the trustee of the Plan, as complete and accurate, except for comparing such information to information included in the Plan's financial statements and supplemental schedule.

The following information included in the financial statements and supplemental schedule was provided by and certified by the Plan's trustee as complete and accurate:

- Investments as shown in the Statement of Net Assets Available for Benefits as of December 31, 2009 and 2008.

- Investment income (loss), as shown in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2009 and 2008.

- Schedule H, item 4i – Schedule of Assets Held for Investment Purposes at Year End.

Investments that represent 5% or more of the Plan's net assets are separately identified, as follows:

	December 31,	
Investments, at fair value:	2009	2008
Fidelity Mid-Cap Stock	$ 1,126,986	$ 798,810
Fidelity Money Market Trust Retirement	872,635	784,551
Fidelity Total Spartan Market Index	399,992	423,784
Fidelity Diversified International	366,164	Less than 5%
Fidelity Freedom 2010	358,009	285,540
Fidelity Freedom 2020	Less than 5%	238,318

Note 5 – Party-in-Interest Transactions

Certain Plan investments are units in mutual funds managed by Fidelity Management and Trust Company. Fidelity Management and Trust Company is the trustee as defined by the Plan, therefore, these transactions qualify as party-in-interest transactions.

LASERCARD CORPORATION 401(K) PLAN

Notes to Financial Statements

December 31, 2009

Note 6 – Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

Note 7 – Income Tax Status

The Plan adopted the Fidelity Corporate Plan for Retirement Profit Sharing 401(k) Prototype Plan. The IRS permits the Plan to rely on their approval of the Fidelity prototype plan. The Plan obtained its latest determination letter on October 9, 2003, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

Note 8 - Risks and uncertainties:

The Plan provides for investments in various investment securities which, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. 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 statement of net assets available for benefits and participant account balances.

LASERCARD CORPORATION 401(K) PLAN

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2009

EIN 77-0233102
Plan Number: 001

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
*	Fidelity Mid-Cap Stock	Mutual Fund	-	$ 1,126,986
*	Fidelity Money Market Trust Retirement	Mutual Fund	-	872,635
*	Fidelity Total Spartan Market Index	Mutual Fund	-	399,992
*	Fidelity Diversified International	Mutual Fund	-	366,164
*	Fidelity Freedom 2010	Mutual Fund	-	358,009
*	Fidelity Low-Priced Stock	Mutual Fund	-	297,471
*	Fidelity Freedom 2020	Mutual Fund	-	294,483
*	Fidelity US Bond Index	Mutual Fund	-	281,995
*	Fidelity Growth Company	Mutual Fund	-	279,199
*	Fidelity Equity Income	Mutual Fund	-	257,627
*	Fidelity OTC	Mutual Fund	-	235,569
	Victory Diversified A	Mutual Fund	-	213,847
*	Fidelity Freedom 2030	Mutual Fund	-	180,107
	Wells Fargo Advantage Small Cap Value Z	Mutual Fund	-	140,975
*	Fidelity Fifty	Mutual Fund	-	101,255
*	Fidelity Freedom 2025	Mutual Fund	-	98,082
*	Fidelity Balanced	Mutual Fund	-	84,192
*	Fidelity Value	Mutual Fund	-	83,495
*	Fidelity Overseas	Mutual Fund	-	79,230
*	Fidelity Freedom 2000	Mutual Fund	-	60,543
*	Fidelity Freedom 2035	Mutual Fund	-	41,900
*	Fidelity Freedom 2040	Mutual Fund	-	32,375
	Northern Small Ca Value	Mutual Fund	-	18,686
*	Fidelity Freedom 2045	Mutual Fund	-	12,310
*	Fidelity Freedom Income	Mutual Fund	-	9,753
*	Fidelity Freedom 2050	Mutual Fund	-	2,090
*	Fidelity Freedom 2015	Mutual Fund	-	346
*	Participant Loans	Interest rates ranging from 3.25% to 8.25%		
	Outstanding Loan Balance	maturing through 2018	-	176,227
				$ 6,105,543

* Represents a party-in-interest as defined by ERISA
Column (d), cost, has been omitted as all investments are participant directed.

LASERCARD CORPORATION 401(K) PLAN

Financial Statements
December 31, 2009 and 2008

Together with
Independent Auditors' Report

SENSIBA SAN FILIPPO LLP
CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
LaserCard Corporation 401(k) Plan

We were engaged to audit the statement of net assets available for benefits of the LaserCard Corporation 401(k) Plan as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the years then ended, and the supplemental schedule of assets (held at end of year) as of December 31, 2009. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by the Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of December 31, 2009 and 2008, and for the years then ended, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

San Mateo, California
June 29, 2010

LASERCARD CORPORATION 401(K) PLAN

Statement of Net Assets Available for Benefits

	December 31, 2009	December 31, 2008
Assets		
Investments, at fair value	$ 5,929,316	$ 4,583,104
Participant loans	176,227	159,295
Net assets available for benefits	$ 6,105,543	$ 4,742,399

The accompanying notes are an integral part of these financial statements

LASERCARD CORPORATION 401(K) PLAN

Statement of Changes in Net Assets Available for Benefits

	Year Ended December 31, 2009	Year Ended December 31, 2008
Additions (reductions) to net assets attributed to:		
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	$ 1,252,666	$ (2,568,005)
Interest income	80,377	180,635
Total investment income (loss)	1,333,043	(2,387,370)
Contributions:		
Employer	73,812	107,762
Participants	539,281	620,154
Rollovers	59,607	-
Total contributions	672,700	727,916
Total additions (reductions)	2,005,743	(1,659,454)
Deductions from net assets attributed to:		
Benefits paid to participants	635,967	454,214
Administrative expenses	6,632	6,518
Total deductions	642,599	460,732
Net increase (decrease) in net assets	1,363,144	(2,120,186)
Net assets available for benefits:		
Beginning of year	4,742,399	6,862,585
End of year	$ 6,105,543	$ 4,742,399

The accompanying notes are an integral part of these financial statements

LASERCARD CORPORATION 401(K) PLAN

Notes to Financial Statements

December 31, 2009

Note 1 – Description of Plan

The following description of the LaserCard Corporation ("Company") 401(k) Plan ("Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General – The Plan is a defined contribution plan that covers substantially all employees of the Company who are age twenty one or older. Employees may enroll on the first day of the month following their hire date. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions – Each year, participants may contribute up to 100% of pretax annual compensation as defined in the Plan document. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified retirement plans. Participants direct the investment of their account balances into various investment options offered by the Plan. Participants may change their investment options daily. The Plan currently offers thirty mutual funds as investment options for participants. The Company may make matching employer contributions to the Plan. Additionally, the Company may make discretionary non-elective employer contributions to the Plan. Such discretionary Company contributions are allocated, to each participant who is eligible to share, in the same ratio that each participant's testing compensation, as defined, bears to the total compensation of all participants eligible to share. No contributions were made for 2009 and 2008. Contributions are subject to certain limitations.

Participants' accounts – Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution, and (b) Plan earnings, and charged with an allocation of administrative expenses. 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.

Vesting – Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. A participant is 100% vested after four years of credited service.

In 2009 and 2008, administrative expenses of approximately $6,600 and $6,500, respectively, were paid by forfeited non-vested accounts. At December 31, 2009 and 2008, ending balances in forfeited non-vested accounts amounted to approximately $720 and $5,100, respectively.

LASERCARD CORPORATION 401(K) PLAN

Notes to Financial Statements

December 31, 2009

Note 1 – Description of Plan (continued)

Participant loans – Participants may borrow from their accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their account balance, whichever is less. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Participant notes fund. The loans are secured by the balance in the participant's account and bear interest at rates that range from 3.25% to 8.25%, which are commensurate with local prevailing rates as determined quarterly by the Plan administrator. Principal and interest are paid ratably through payroll deductions.

Investment management fees and operating expenses - Investment management fees and operating expenses charged to the Plan for investments in the mutual funds are deducted from income earned on a daily basis and are reflected as a component of net appreciation (depreciation) in fair value of investments.

Administrative expenses - Substantially all administrative expenses of the Plan are paid by the Company. Separate fees for loan processing and certain investments as specified in the service agreement, are charged to individual participant's accounts.

Payment of benefits – On termination of service due to death, disability, retirement or separation from service, participants may receive benefits in a lump sum, in accordance with the Plan. In certain other circumstances, participants may receive in-service distributions in a lump sum.

Note 2 – Summary of Significant Accounting Policies

Financial statement preparation - In June 2009, the Financial Accounting Standards Board ("FASB") issued *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles*. This statement modifies the Generally Accepted Accounting Principles ("GAAP") hierarchy by establishing only two levels of GAAP, authoritative and non-authoritative accounting literature. Effective July 2009, the FASB Accounting Standards Codification ("ASC"), also known collectively as the Codification, is considered the single source of authoritative U.S. accounting and reporting standards. This statement applies beginning in 2009. All accounting references herein have been updated, and therefore references to Statements of Financial Accounting Standards have been replaced. The issuance of the Codification did not change GAAP and therefore its adoption by the Plan will only affect how specific references to GAAP literature are disclosed in the notes to the financial statements.

Basis of accounting - The accompanying financial statements of the Plan have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Contributions from participants are recorded when withheld from the participant. Benefit payments to participants are recorded when paid.

LASERCARD CORPORATION 401(K) PLAN

Notes to Financial Statements

December 31, 2009

Note 2 – Summary of Significant Accounting Policies (continued)

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Investment valuation and income recognition – The Plan's investments are stated at fair value. The fair value of units in registered investment companies (mutual funds) are valued at the net asset value of shares held by the Plan at year end. Participant loans are valued at their outstanding balances, which approximate fair value.

Fair value measurements - In September 2009, the FASB issued authoritative guidance on estimating the fair value of a company's investments in investments companies when the investment does not have a readily determinable fair value. It permits the use of the investment's net asset value as a practical expedient to determine fair value. This guidance also required additional disclosure of the attributes of these investments such as: (i) the nature of any restrictions on the reporting entity's ability to redeem its investment; (ii) unfunded commitments; and (iii) investment strategies of the investees. This guidance is effective for periods ending after December 15, 2009. The adoption did not have a material impact on the Plan's financial condition or results of operations and all applicable disclosures are included in these financial statements.

Net appreciation (depreciation) in fair value of investments – The earnings, expenses, realized gains or losses, and unrealized appreciation (depreciation) in registered investment companies are recorded in the accompanying financial statements as net appreciation (depreciation) in fair value of investments.

Risks and uncertainties - The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

Subsequent event - Subsequent events that provide additional evidence about conditions that existed at the date of the statement of net assets available for benefits are recognized in the financial statements. For non-recognized subsequent events, the Plan discloses the nature of the event as well as an estimate of its financial effect, or a statement that such an estimate cannot be made. The Plan has evaluated subsequent events through the date that the financial statements are available to be issued which is the date of the auditors' report.

Payment of benefits – Benefit payments to participants are recorded when paid.

Note 2 – Summary of Significant Accounting Policies (continued)

Recent accounting pronouncements - In January 2010, the FASB issued Accounting Standards Update No. 2010-06, Improving Disclosures about Fair Value Measurements (Topic 820) - Fair Value Measurements and Disclosures (ASU 2010-06) to add additional disclosures about the different classes of assets and liabilities measured at fair value, the valuation techniques and inputs used, the activity in Level 3 fair value measurements, and the transfers between Levels 1, 2, and 3. Levels 1, 2 and 3 of fair value measurements are defined in Note 3. The Plan will adopt this new accounting standards update in the year ending December 31, 2010 except for the provisions of this update that will be effective in the year ending December 31, 2011. The Plan is currently evaluating the impact of its pending adoption on the Plan's financial statements.

Reclassifications - Certain reclassifications have been made to the prior year financial statements to conform to the current year's presentation. Such reclassifications had no effect on previously reported statement of changes in net assets available for benefits or net assets available for benefits.

Note 3 – Fair Value Measurements

The Plan performs fair value measurements in accordance with ASC 820 Fair Value Measurements. ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy are described below:

- Level 1: quoted prices in active markets for identical assets or liabilities;

- Level 2: inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

- Level 3: unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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

Note 3 – Fair Value Measurements (continued)

Investments measured at fair value on a recurring basis consisted of the following types of instruments as of December 31, 2009 and 2008 (Level 1, 2, and 3 inputs are defined above):

	Fair Value Measurements Using Input Type			
As of December 31, 2009:	Level 1	Level 2	Level 3	Total
Mutual funds	$ 5,929,316	$ -	$ -	$ 5,929,316
Participant loans	-	-	176,227	176,227
Total investments measured at fair value	$ 5,929,316	$ -	$ 176,227	$ 6,105,543

	Fair Value Measurements Using Input Type			
As of December 31, 2008:	Level 1	Level 2	Level 3	Total
Mutual funds	$ 4,583,104	$ -	$ -	$ 4,583,104
Participant loans	-	-	159,295	159,295
Total investments measured at fair value	$ 4,583,104	$ -	$ 159,295	$ 4,742,399

The Plan's valuation methodology used to measure the fair values of mutual funds were derived from quoted market prices as all of these instruments have active markets. The valuation techniques used to measure fair value of participant loans above, all of which mature by the end of 2018 and are secured by vested account balances of borrowing participants, were derived using a discounted cash flow model with inputs derived from unobservable market data. The participant loans are included at their carrying values, in the statement of net assets available for benefits, which approximated their fair values at December 31, 2009 and 2008.

The tables below set forth a summary of changes in the fair value of the Plan's level 3 assets for the years ended December 31, 2009 and 2008.

	Level 3 Assets Participant Loans 2009	Level 3 Assets Participant Loans 2008
Balance as of January 1, 2009	$ 159,295	$ 116,439
New 2009 loans	79,332	85,162
Repayments	(45,963)	(42,306)
Deemed distributions	(16,437)	-
Balance as of December 31, 2009	$ 176,227	$ 159,295

LASERCARD CORPORATION 401(K) PLAN

Notes to Financial Statements

December 31, 2009

Note 4 – Investments

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information certified by Fidelity Management and Trust Company, the trustee of the Plan, as complete and accurate, except for comparing such information to information included in the Plan's financial statements and supplemental schedule.

The following information included in the financial statements and supplemental schedule was provided by and certified by the Plan's trustee as complete and accurate:

- Investments as shown in the Statement of Net Assets Available for Benefits as of December 31, 2009 and 2008.

- Investment income (loss), as shown in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2009 and 2008.

- Schedule H, item 4i – Schedule of Assets Held for Investment Purposes at Year End.

Investments that represent 5% or more of the Plan's net assets are separately identified, as follows:

	December 31,	
Investments, at fair value:	2009	2008
Fidelity Mid-Cap Stock	$ 1,126,986	$ 798,810
Fidelity Money Market Trust Retirement	872,635	784,551
Fidelity Total Spartan Market Index	399,992	423,784
Fidelity Diversified International	366,164	Less than 5%
Fidelity Freedom 2010	358,009	285,540
Fidelity Freedom 2020	Less than 5%	238,318

Note 5 – Party-in-Interest Transactions

Certain Plan investments are units in mutual funds managed by Fidelity Management and Trust Company. Fidelity Management and Trust Company is the trustee as defined by the Plan, therefore, these transactions qualify as party-in-interest transactions.

LASERCARD CORPORATION 401(K) PLAN

Notes to Financial Statements

December 31, 2009

Note 6 – Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

Note 7 – Income Tax Status

The Plan adopted the Fidelity Corporate Plan for Retirement Profit Sharing 401(k) Prototype Plan. The IRS permits the Plan to rely on their approval of the Fidelity prototype plan. The Plan obtained its latest determination letter on October 9, 2003, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

Note 8 - Risks and uncertainties:

The Plan provides for investments in various investment securities which, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. 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 statement of net assets available for benefits and participant account balances.

LASERCARD CORPORATION 401(K) PLAN

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2009

EIN 77-0233102
Plan Number: 001

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
*	Fidelity Mid-Cap Stock	Mutual Fund	-	$ 1,126,986
*	Fidelity Money Market Trust Retirement	Mutual Fund	-	872,635
*	Fidelity Total Spartan Market Index	Mutual Fund	-	399,992
*	Fidelity Diversified International	Mutual Fund	-	366,164
*	Fidelity Freedom 2010	Mutual Fund	-	358,009
*	Fidelity Low-Priced Stock	Mutual Fund	-	297,471
*	Fidelity Freedom 2020	Mutual Fund	-	294,483
*	Fidelity US Bond Index	Mutual Fund	-	281,995
*	Fidelity Growth Company	Mutual Fund	-	279,199
*	Fidelity Equity Income	Mutual Fund	-	257,627
*	Fidelity OTC	Mutual Fund	-	235,569
	Victory Diversified A	Mutual Fund	-	213,847
*	Fidelity Freedom 2030	Mutual Fund	-	180,107
	Wells Fargo Advantage Small Cap Value Z	Mutual Fund	-	140,975
*	Fidelity Fifty	Mutual Fund	-	101,255
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*	Fidelity Freedom 2035	Mutual Fund	-	41,900
*	Fidelity Freedom 2040	Mutual Fund	-	32,375
	Northern Small Ca Value	Mutual Fund	-	18,686
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*	Fidelity Freedom Income	Mutual Fund	-	9,753
*	Fidelity Freedom 2050	Mutual Fund	-	2,090
*	Fidelity Freedom 2015	Mutual Fund	-	346
*	Participant Loans	Interest rates ranging from 3.25% to 8.25%		
	Outstanding Loan Balance	maturing through 2018	-	176,227
				$ 6,105,543

* Represents a party-in-interest as defined by ERISA
Column (d), cost, has been omitted as all investments are participant directed.