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:
- [ ] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
PKL SERVICES, INC. 401(K) RETIREMENT SAVINGS PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2007

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

14265 DANIELSON ST. #C1
POWAY, CA 92064

2b Employer Identification Number (EIN)
47-0906427

2c Sponsor's telephone number
858-679-1755

2d Business code (see instructions)
541990

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.	07/22/2010	JODIE HERZIG
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/22/2010	JODIE HERZIG
	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")

PKL SERVICES, INC.

14265 DANIELSON ST. #C1
POWAY, CA 92064

3b Administrator's EIN
47-0906427

3c Administrator's telephone number
858-679-1755

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**	166
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**	305
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	27
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	332
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	332
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	91
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	21
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 2G 2J 2K 2F 3D

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)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(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)		**C** (Service Provider Information)
(5)		**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

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
PKL SERVICES, INC. 401(K) RETIREMENT SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PKL SERVICES, INC.

D Employer Identification Number (EIN)
47-0906427

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)		47195
(2) Participant contributions	1b(2)		13089
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(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)	1343	20134
(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)	261092	734032
(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	262435	814450
	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	262435	814450

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)	47195	
	(B) Participants	2a(1)(B)	347389	
	(C) Others (including rollovers)	2a(1)(C)	53459	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		448043
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(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)	255	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		255
	(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)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(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)		0

		(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)		0
(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)		137953
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		586251
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	33981	
(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)		33981
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
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)	255	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		255
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		34236
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		552015
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: MATRANGA & RILEY, CPAS (2) EIN: 20-1147648

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		20000
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
PKL SERVICES, INC. 401(K) RETIREMENT SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PKL SERVICES, INC.

D Employer Identification Number (EIN)
47-0906427

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**

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): 95-6817943

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):

PKL SERVICES, INC.
401(k) RETIREMENT SAVINGS PLAN
FINANCIAL STATEMENT
DECEMBER 31, 2009 AND 2008

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Matranga & Riley
An Accountancy Corporation

INDEPENDENT AUDITORS' REPORT

To the Administrative Committee
PKL Services, Inc. 401(k) Retirement Savings Plan
Poway, California

We were engaged to audit the accompanying statements of net assets available for Plan benefits of PKL Services, Inc. 401(k) Retirement Savings Plan (the "Plan") as of December 31, 2009 and 2008 and the related statements of changes in net assets available for Plan benefits and supplemental schedules for the years then ended. These financial statements and schedules 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 9, which was certified by Samuel Flores, the trustee of the plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. 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 and for the years ended December 31, 2009 and 2008, 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 schedules taken as a whole. The form and content of the information included in the financial statements and schedules, 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.

Matranga & Riley, CPA's

San Diego, California
June 10, 2010

PKL SERVICES, INC. 401(k) RETIREMENT SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
DECEMBER 31, 2009 AND 2008

	2009	2008
ASSETS:		
Investments, at fair value:		
AF Europacific Growth	$ 131,534	$ 42,954
AF Capital World Growth & Inc	99,741	37,402
AF New Perspective	75,953	18,941
AF Growth Fund of America	62,346	22,321
AF Capital Income Builder	61,623	23,914
AF 2020 Target Retirement	42,425	10,012
AF 2040 Target Retirement	38,588	20,870
AF 2050 Target Retirement	35,856	10,867
AF US Govt Securities	35,692	11,544
AF Balanced	24,683	10,807
AF 2025 Target Retirement	23,883	276
American Funds Wash Mut	22,678	11,748
AF Income Fund of America	20,119	9,933
AF 2045 Target Retirement	17,694	9,257
AF Bond Fund of America	14,147	8,271
AF 2035 Target Retirement	11,307	5,086
AF Money Market Fund	8,539	-
AF 2030 Target Retirement	3,940	1,750
AF 2010 Target Retirement	169	138
AF Cash Management Trust	-	5,001
Total investments	730,917	261,092
Interest bearing cash	3,115	-
Participant loans	20,134	1,343
Employee receivables	13,089	-
Employer receivables	47,195	-
Total assets	814,450	262,435
LIABILITIES:		
Total liabilities	0	0
Net assets available for Plan benefits	$ 814,450	$ 262,435

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

PKL SERVICES, INC. 401(k) RETIREMENT SAVINGS PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
DECEMBER 31, 2009 AND 2008

	2009	2008
Additions to net assets attributed to:		
Investment income:		
Net realized and unrealized gains (losses) in current value of investments	$ 137,953	$ (75,534)
Participant loan interest	255	59
Total investment gain (loss)	138,208	(75,475)
Contributions:		
Employer contributions	47,195	33,756
Employee contributions	347,389	211,892
Rollovers	53,459	11,395
Total contributions	448,043	257,043
Total additions	586,251	181,568
Deductions:		
Deductions from net assets attributed to:		
Benefit withdrawals paid	(33,981)	(7,287)
Investment fees	(255)	(270)
Total deductions	(34,236)	(7,557)
Increase in net assets available for Plan benefits	552,015	174,011
Net assets available for Plan benefits, beginning of year	262,435	88,424
Net assets available for Plan benefits, end of year	$ 814,450	$ 262,435

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

PKL SERVICES, INC. 401(k) RETIREMENT SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 1 - DESCRIPTION OF PLAN

The following description of the PKL Services, Inc. 401(k) Retirement Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

Effective January 1, 2007, PKL Services, Inc., (the "Company" or "Employer") established and adopted the Plan for its employees. The Plan is a defined contribution 401(k) salary savings plan covering substantially all employees who have reached the age of 21 and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan is administered by an Administrative Committee consisting of one or more persons appointed by the Board of Directors of the Company.

Contributions

Under the terms of the Plan, participants may elect to defer a percentage of their regular earnings from the Company into the Plan. Such salary reduction contributions on a pre-tax basis shall not exceed 100% of the participants' annual base salaries, up to a maximum Internal Revenue Service ("IRS") dollar limit of $16,500 in 2009 and $15,500 in 2008. Additionally, participants who will be at least age 50 by the end of the tax year may make additional "catch up" contributions of $5,500 in 2009 and 2008. Participants may also contribute rollover distributions from other qualified plans.

The Company has the right to make matching contributions, an additional discretionary contribution and non-elective contributions, all of which shall be allocated, to each eligible employee in proportion to his or her compensation as a percentage of the compensation of all eligible employees. For the period ended December 31, 2009 and 2008, the Company made contributions of $47,195 and $33,756, respectively, to the plan. Contributions are subject to certain limitations under IRS regulations.

Participant Accounts

Each participant's account is credited with the participant's contribution and an allocation of (a) the Company's contribution, and (b) the Plan earnings or losses. Allocations are based on participant earnings or losses on account balances, as defined. Forfeited balances of terminated participants' non-vested accounts are applied at the end of the plan year in which they occur to reduce employer contributions. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

NOTE 1 - DESCRIPTION OF PLAN (Cont.)

Investment Options

Upon enrollment into the Plan, a participant may direct their employee contributions in various percentage increments among any of the investment options. Participants may change their investment options at any time.

Vesting

Participants are immediately 100% vested in their voluntary contributions plus actual earnings thereon.

The non-elective employer contributions, matching contributions, and transferred benefits accounts of a participant shall vest subject to the following vesting schedule:

Vesting Years Of Service	Vested Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

Participant Loans

Participants may borrow from their fund accounts a maximum of, the lesser of, $50,000 or 50% of their vested account balance. Loan transactions are treated as segregated investments of the individual participant. Loan terms cannot exceed 5 years except for the purchase of a primary residence in which the term is determined by the Plan administrator. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Plan administrator. Interest rates range from 4.25% to 6.25%. Principal and interest payments are paid ratably through payroll deductions.

Administrative Expenses

The employer is authorized to reimburse the Plan for all expenses and fees incurred in the administration of the Plan and paid out of the assets of the fund.

NOTE 1 - DESCRIPTION OF PLAN (Cont.)

Termination or Modification of the Plan

The Company has the right to terminate the Plan upon 60 days notice in writing to the trustee. The sponsor may amend any or all provisions of this plan without obtaining the approval or consent of the employer providing the amendment does not permit any part of the corpus or income of the Plan to be used for any purpose other than for the benefit of the participant and their beneficiaries. In the event the Plan is terminated, all participants will become 100% vested in their accounts.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the Plan have been prepared on the accrual method of accounting and present the net assets available for Plan benefits at December 31, 2009 and 2008 and changes in net assets available for Plan benefits for the years then ended.

Valuation of Investments and Income Recognition

The Plan's investments are stated at fair value. If available, quoted market prices are used to value investments. Shares of registered investment companies are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. Participant loan receivables are valued at cost which approximate current value. See Note 6 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis.

Forfeitures

Upon termination of service, a participant forfeits any non-vested Company contributions. Forfeitures of non-vested participant account balances can be used to reduce the Company's contributions.

Benefit Withdrawals Paid

Benefits are recorded when paid. For the year ended December 31, 2009 and 2008 the Plan reported distributions of $33,981 and $7,287, respectively.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES (Cont.)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3 - INCOME TAX STATUS

The Internal Revenue Service has determined the Plan is designed in accordance with applicable sections of the Internal Revenue Code. The Plan's tax counsel believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

NOTE 4 - ADMINISTRATION OF PLAN ASSETS

At December 31, 2009 and 2008 the Plan's assets were held by Capital Bank & Trust Company. At December 31, 2009 and 2008 the assets of the plan were administered under a recordkeeping agreement with Capital Bank & Trust. The recordkeeping agreement requires that the recordkeeper holds, administers and distributes the funds of the Plan in accordance with the text of the Plan and instructions of the trustees.

NOTE 5 - INVESTMENTS

The following investments represent 5% or more of the net assets available for Plan benefits at December 31, 2009:

Description	Fair Value
AF Europacific Growth	$ 131,534
AF Capital World Growth & Inc	99,741
AF New Perspective	75,953
AF Growth Fund of America	62,346
AF Capital Income Builder	61,623
AF 2020 Target Retirement	42,425

See independent auditor's report.

NOTE 5 – INVESTMENTS(Cont.)

The following investments represent 5% or more of the net assets available for Plan benefits at December 31, 2008:

Description	Fair Value
AF Europacific Growth	$ 42,954
AF Capital World Growth & Inc	37,402
AF Capital Income Builder	23,914
AF Growth Fund of America	22,321
AF 2040 Target Retirement	20,870
AF New Perspective	18,941

NOTE 6 – FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

NOTE 6 – FAIR VALUE MEASUREMENTS(Cont.)

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

Following is a description of the valuation methodologies used for assets measured at fair value.

Common stocks, corporate bonds and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

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

The following table sets forth by level, within the fair value hierarchy, the plan's assets at fair value as of December 31, 2009 and 2008:

	December 31, 2009			
Input levels by investment category:				
Investment category	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Mutual Funds	$ 730,917	$ 730,917	$ 0	$ 0
Interest bearing cash	3,115	3,115		
Participant Loans	20,134	0	0	20,134
Total	$ 754,166	$ 734,032	$ 0	$ 20,134

	December 31, 2008			
Input levels by investment category:				
Investment category	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Mutual Funds	$ 261,092	$ 261,092	$ 0	$ 0
Participant Loans	1,343	0	0	1,343
Total	$ 262,435	$ 261,092	$ 0	$ 1,343

See independent auditor's report.

NOTE 6 – FAIR VALUE MEASUREMENTS(Cont.)

The following table sets forth a summary of changes in the fair value of the plan's level 3 assets for the year ended December 31, 2009 and 2008:

Effect of level 3 inputs on net assets or liabilities: December 31, 2009

Investment category	Beginning Balance	Total Gains or Losses	Interest Credited	Purchases, Issuances, Settlements	Ending Balance	Unrealized Gains or Losses
Participant Loans	$ 1,343	$ 0	$ 255	$ 18,536	$ 20,134	$ 0
Total	$ 1,343	$ 0	$ 255	$ 18,536	$ 20,134	$ 0

Effect of level 3 inputs on net assets or liabilities: December 31, 2008

Investment category	Beginning Balance	Total Gains or Losses	Interest Credited	Purchases, Issuances, Settlements	Ending Balance	Unrealized Gains or Losses
Participant Loans	$ 0	$ 0	$ 59	$ 1,284	$ 1,343	$ 0
Total	$ 0	$ 0	$ 59	$ 1,284	$ 1,343	$ 0

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation in fair value of investments in the Statement of Changes in Net Assets Available for Benefits.

NOTE 7 - PENDING DISTRIBUTIONS

There were no distributions pending at December 31, 2009 and 2008.

NOTE 8- RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

Net assets available for benefits, as reported in the financial statements, are the same as the amount reported in Form 5500 as of December 31, 2009 and 2008.

NOTE 9 – INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The following information included in the accompanying financial statements and supplemental schedules was obtained from data that has been prepared and certified to as complete and accurate by the trustee.

	2009	2008
Investments, at fair value:		
Mutual funds	$ 730,917	$ 261,092
Investment income (loss)	137,953	(75,534)

NOTE 10 – DATE OF MANAGEMENT EVALUATION

Management has evaluated subsequent events through June 10, 2010, the date on which the financial statements were available to be issued.

See independent auditor's report.

SUPPLEMENTARY INFORMATION

PKL SERVICES, INC. 401(k) RETIREMENT SAVINGS PLAN
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF PLAN YEAR
DECEMBER 31, 2009

Plan Sponsor's Name:	**PKL Services, Inc.**
Plan Name:	**PKL Services, Inc. 401(k) Retirement Savings Plan**
Employer Identification Number:	**47-0904627**
Plan Number:	**001**

(a) Identity of Issue, Borrower, Lessor, or similar party	(b) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(c) Cost	(d) Current Value
American Funds	AF Europacific Growth	$ 131,534	$ 131,534
American Funds	AF Capital World Growth & Inc	99,741	99,741
American Funds	AF New Perspective	75,953	75,953
American Funds	AF Growth Fund of America	62,346	62,346
American Funds	AF Capital Income Builder	61,623	61,623
American Funds	AF 2020 Target Retirement	42,425	42,425
American Funds	AF 2040 Target Retirement	38,588	38,588
American Funds	AF 2050 Target Retirement	35,856	35,856
American Funds	AF US Govt Securities	35,692	35,692
American Funds	AF Balanced	24,683	24,683
American Funds	AF 2025 Target Retirement	23,883	23,883
American Funds	American Funds Wash Mut	22,678	22,678
American Funds	AF Income Fund of America	20,119	20,119
American Funds	AF 2045 Target Retirement	17,694	17,694
American Funds	AF Bond Fund of America	14,147	14,147
American Funds	AF 2035 Target Retirement	11,307	11,307
American Funds	AF Money Market Fund	8,539	8,539
American Funds	AF 2030 Target Retirement	3,940	3,940
American Funds	AF 2010 Target Retirement	169	169
American Funds	Interest bearing cash	3,115	3,115
Participant Loans	Interest rates range from 4.25% to 6.25%	0	20,134

PKL SERVICES, INC. 401(k) RETIREMENT SAVINGS PLAN
SCHEDULE OF REPORTABLE TRANSACTIONS
DECEMBER 31, 2009

Plan Sponsor's Name:	**PKL Services, Inc.**
Plan Name:	**PKL Services, Inc. 401(k) Retirement Savings Plan**
Employer Identification Number:	**47-0904627**
Plan Number:	**001**

There were no reportable transactions
at period end December 31, 2009.

PKL SERVICES, INC. 401(k) RETIREMENT SAVINGS PLAN
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF PLAN YEAR
DECEMBER 31, 2009

Plan Sponsor's Name:	**PKL Services, Inc.**
Plan Name:	**PKL Services, Inc. 401(k) Retirement Savings Plan**
Employer Identification Number:	**47-0904627**
Plan Number:	**001**

(a) Identity of Issue, Borrower, Lessor, or similar party	(b) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(c) Cost	(d) Current Value
American Funds	AF Europacific Growth	$ 131,534	$ 131,534
American Funds	AF Capital World Growth & Inc	99,741	99,741
American Funds	AF New Perspective	75,953	75,953
American Funds	AF Growth Fund of America	62,346	62,346
American Funds	AF Capital Income Builder	61,623	61,623
American Funds	AF 2020 Target Retirement	42,425	42,425
American Funds	AF 2040 Target Retirement	38,588	38,588
American Funds	AF 2050 Target Retirement	35,856	35,856
American Funds	AF US Govt Securities	35,692	35,692
American Funds	AF Balanced	24,683	24,683
American Funds	AF 2025 Target Retirement	23,883	23,883
American Funds	American Funds Wash Mut	22,678	22,678
American Funds	AF Income Fund of America	20,119	20,119
American Funds	AF 2045 Target Retirement	17,694	17,694
American Funds	AF Bond Fund of America	14,147	14,147
American Funds	AF 2035 Target Retirement	11,307	11,307
American Funds	AF Money Market Fund	8,539	8,539
American Funds	AF 2030 Target Retirement	3,940	3,940
American Funds	AF 2010 Target Retirement	169	169
American Funds	Interest bearing cash	3,115	3,115
Participant Loans	Interest rates range from 4.25% to 6.25%	0	20,134