

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2009</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ 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 <u>KB ELECTRONICS, INC. 401(K) PROFIT SHARING PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1998</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>01/01/1998</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>01/01/1998</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>KB ELECTRONICS, INC.</u> <u>12095 NW 39TH STREET</u> <u>CORAL SPRINGS, FL 33065</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>11-2140559</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>954-346-4900</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>335900</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>11-2140559</u>	2c Sponsor's telephone number <u>954-346-4900</u>	2d Business code (see instructions) <u>335900</u>	
2b Employer Identification Number (EIN) <u>11-2140559</u>					
2c Sponsor's telephone number <u>954-346-4900</u>					
2d Business code (see instructions) <u>335900</u>					

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	MICHAEL NEIDER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/22/2010	MICHAEL NEIDER
	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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") KB ELECTRONICS, INC. 12095 NW 39TH STREET CORAL SPRINGS, FL 33065	3b Administrator's EIN 11-2140559 3c Administrator's telephone number 954-346-4900
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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	170
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	128
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	19
d Subtotal. Add lines 6a , 6b , and 6c	6d	147
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	147
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	126
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	9
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:
 3D 2E 2J 2K 2F 2G 2T

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

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	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

<div>A Name of plan</div> <div>KB ELECTRONICS, INC. 401(K) PROFIT SHARING PLAN</div>	<div>B Three-digit plan number (PN)</div> <div>▶ 002</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500</div> <div>KB ELECTRONICS, INC.</div>	<div>D Employer Identification Number (EIN)</div> <div>11-2140559</div>

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)

SUNTRUST BANK

25 PARK PLACE
ATLANTA, GA 30303

(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?
21	TRUSTEE	4176	Yes ☒ No ☐	Yes ☒ No ☐	0	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 ☐

(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

(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.

(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
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(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

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:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan KB ELECTRONICS, INC. 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 KB ELECTRONICS, INC.	D Employer Identification Number (EIN) 11-2140559	

Part I	Asset and Liability Statement
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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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities.....	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other.....	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	37739	72011
(9) Value of interest in common/collective trusts.....	1c(9)	26554	48345
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	2275840	2877602
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	2340133	2997958

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h		
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	2340133	2997958
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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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	22579	
(B) Participants	2a(1)(B)	239642	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		262221

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	3505	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		3505
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	51522	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		51522
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(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)	0	
(B) Other	2b(5)(B)	0	
(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)		8751
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		492338
c Other income.....	2c		315
d Total income. Add all income amounts in column (b) and enter total.....	2d		818652

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	154907	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		154907
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		1744
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	4176	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		4176
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		160827

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		657825
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		0

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) ☒ Disclaimer (4) ☐ Adverse

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

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

(1) Name: **MAYER HOFFMAN MCCANN P.C.**

(2) EIN: **43-1947695**

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.).....		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.).....		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.)		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.).....		X	
e Was this plan covered by a fidelity bond?.....	X		300000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		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?		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?		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.).....	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.).....		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?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		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.		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 <u>01/01/2009</u> and ending <u>12/31/2009</u>		
A Name of plan <u>KB ELECTRONICS, INC. 401(K) PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>	
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KB ELECTRONICS, INC.</u>	D Employer Identification Number (EIN) <u>11-2140559</u>	

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	<u>0</u>
----------	----------

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): 20-3691658

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 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): _____

- 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): _____

**KB ELECTRONICS, INC. 401(k)
PROFIT SHARING PLAN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE**

Years Ended December 31, 2009 and 2008

INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of the
KB Electronics, Inc. 401(k) Profit Sharing Plan

We were engaged to audit the statements of net assets available for benefits of KB Electronics, Inc. 401(k) Profit Sharing Plan as of December 31, 2009 and 2008 and the related statements 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 SunTrust Bank and Nationwide Life Insurance Company, the custodians of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that SunTrust Bank held the Plan's investment assets and executed investment transactions from May 1, 2008 to December 31, 2009, and that Nationwide Life Insurance Company held the Plan's investment assets and executed investment transactions from January 1, 2008 through April 30, 2008. The plan administrator has obtained certifications from the custodians as of December 31, 2009 and 2008 and for the years then ended that the information provided to the plan administrator by the custodians 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 supplementary 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 custodian, has been audited by us in accordance with U.S. generally accepted auditing standards and, in our opinion, is 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.

Mayer Hoffman McCann P.C.

Boca Raton, Florida
July 19, 2010

KB ELECTRONICS, INC. 401(k) PROFIT SHARING PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Investments	\$ 2,925,947	\$ 2,302,394
Loans to participants	<u>72,011</u>	<u>37,739</u>
Net assets reflecting all investments at fair value	2,997,958	2,340,133
Adjustments from fair value to contract value for fully benefit-responsive investment contracts	<u>-</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 2,997,958</u></u>	<u><u>\$ 2,340,133</u></u>

See Notes to Financial Statements

KB ELECTRONICS, INC. 401(k) PROFIT SHARING PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Years ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ADDITIONS		
Investment income:		
Net appreciation (depreciation) in fair value of investments	\$ 501,404	\$ (1,189,693)
Interest and dividends	<u>55,027</u>	<u>60,437</u>
	<u>556,431</u>	<u>(1,129,256)</u>
Contributions:		
Employer	22,579	79,628
Participants	239,642	328,361
Rollover	<u>-</u>	<u>2,156</u>
	<u>262,221</u>	<u>410,145</u>
TOTAL ADDITIONS	<u>818,652</u>	<u>(719,111)</u>
DEDUCTIONS		
Benefits paid to participants	154,907	158,960
Loans deemed distributed	1,744	4,655
Administrative expenses	<u>4,176</u>	<u>1,688</u>
TOTAL DEDUCTIONS	<u>160,827</u>	<u>165,303</u>
NET INCREASE (DECREASE)	657,825	(884,414)
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	<u>2,340,133</u>	<u>3,224,547</u>
End of year	<u>\$ 2,997,958</u>	<u>\$ 2,340,133</u>

See Notes to Financial Statements

KB ELECTRONICS, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

(1) Description of plan

The following description of the KB Electronics, Inc. 401(k) Profit Sharing 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 - The Plan is a defined contribution plan covering all full-time employees of KB Electronics, Inc. (the "Company") who have one year of service and are age twenty-one or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions - For each Plan year, the employer may elect to contribute to the Plan. Participants may contribute the lesser of 100% of qualified compensation or the maximum amounts allowed by the Internal Revenue Code. The sponsor may match a percentage of the employee's contributions. Such matching contributions are determined annually at the discretion of the Company. For 2009, the employer's discretionary match was 25% of employee's elected deferral not to exceed 3% of employee's eligible compensation. For 2008, the employer's discretionary match was 50% of employee's elected deferral not to exceed 3% of employee's eligible compensation. Participants elect to direct their investments in any proportion desired to any of the investments available in the Plan.

Participants are also allowed to make rollover contributions of amounts received from other tax deferred retirement accounts. Such contributions are deposited in the appropriate investment funds in accordance with the participant's direction and Plan provisions.

Participant accounts - Each participant's account is credited with the participant's contributions plus earnings or losses, matching contributions and an allocation of the Company's discretionary contribution (if any). Allocations of the Company's discretionary contribution are based upon a participant's compensation as it relates to all eligible participants' compensation. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account balance.

Vesting - Participant's contributions plus actual earnings are 100% vested immediately. Employer contributions are subject to the following vesting schedule:

<u>Years of Service</u>	<u>Vested %</u>
1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

KB ELECTRONICS, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

(1) Description of plan (continued)

Participant loans - Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at the available market financing rates and must be repaid to the Plan within a three to five-year period, unless the loan is used for the purchase of a residence. The specific terms and conditions of such loans are established by the Plan Administrator.

Payment of benefits - On termination of service due to death, disability or retirement, a participant may elect to receive a lump-sum amount or annual installments at least equal to the value of the participant's vested interest in his or her account.

Forfeited accounts - At December 31, 2009 and 2008, forfeited nonvested accounts totaled \$0 and \$5,862, respectively. These accounts will be used to reduce future employer matching contributions. During 2009 and 2008 employer matching contributions were reduced by \$5,435 and \$0, respectively, from forfeited nonvested accounts.

(2) Summary of significant accounting policies

Basis of accounting - The financial statements of the Plan are prepared under the accrual method of accounting.

New Accounting Pronouncements

Fair Value Measurements - In April and September 2009, the Financial Accounting Standards Board ("FASB") issued guidance which (i) provided additional guidance for estimating fair value when the volume and level of activity for the asset or liability have significantly decreased, (ii) provided guidance on identifying circumstances that indicate a transaction is not orderly, (iii) permitted, as a practical expedient, entities to measure the fair value of certain investments based on the net asset value per share and (iv) expanded the required disclosures about fair value measurements. The adoption of the guidance did not have a material effect on the Plan's net assets available for benefits or the changes in net assets available for benefits.

Subsequent Events - In May 2009 and February 2010, the FASB issues guidance which established general standards of accounting for, and disclosure of, events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In particular, this guidance established (i) the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure, (ii) the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date and (iii) the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. The adoption of this guidance did not have a material effect on the Plan's net assets available for benefits or the changes in net assets available for benefits.

KB ELECTRONICS, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

(2) **Summary of significant accounting policies (continued)**

FASB Codification – In June 2009, the FASB issued new codification standards which represent the source of authoritative U.S. generally accepted accounting principles (“GAAP”) recognized by the FASB to be applied by non-governmental entities. Rules and interpretive releases of the Securities and Exchange Commission (“SEC”) under authority of federal securities laws are also sources of authoritative GAAP or SEC registrants. The codification supersedes all non-SEC and reporting standards which existed prior to the codification. All other non-grandfathered, non-SEC accounting literature not included in the codification is non-authoritative. The new codification standards were effective for 2009.

Fair Value Disclosures – In January 2010, the FASB issued guidance which expanded the required disclosures about fair value measurements. In particular, this guidance requires (1) separate disclosure of the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements along with the reasons for such transfers, (ii) information about purchases, sales, issuances and settlements to be presented separately in the reconciliation for Level 3 fair value measurements, (iii) fair value measurement disclosures for each class of assets and liabilities and (iv) disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements for fair value measurements that fall either in Level 2 or Level 3. This guidance is effective for annual reporting periods beginning after December 15, 2009 except for (ii) above which is effective for fiscal years beginning after December 15, 2010. The Company is currently evaluating the impact that this guidance will have on the Plan’s financial statement disclosures.

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

Investment valuation and income recognition - Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussions of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan’s gains and losses on investments bought and sold as well as held during the year.

Payment of benefits - Benefits are recorded when paid.

Administrative expenses – Certain expenses of the Plan are paid by the sponsor and are not included in the statements of changes in net assets available for benefits.

KB ELECTRONICS, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

(3) Investments

The Plan's investments that represented five percent or more of the Plan's net assets available for benefits as of December 31, 2009 and 2008 are as follows:

	December 31,	
	2009	2008
RidgeWorth Investment Grade Bond I	\$ 526,325	\$ 479,034
RidgeWorth Mid-Cap Value Equity I	313,794	212,245
Oppenheimer Equity Fund - A	248,586	165,301
American Century Vista - Advisor	237,974	226,610
AllianceBernstein International Growth A	201,681	125,465
Oppenheimer Global Fund A	183,761	N/A
Fidelity Advisor Equity Growth Fund - T	167,118	130,823

During 2009 and 2008, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	Years Ended December 31,	
	2009	2008
Net appreciation (depreciation)	\$ 501,404	\$ (1,189,693)
Interest and dividend income	55,027	60,437
	<u>\$ 556,431</u>	<u>\$ (1,129,256)</u>

(4) Investments and information prepared and certified by the custodian

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, SunTrust Bank, the custodian of the Plan for the period May 1, 2008 through December 31, 2009, and Nationwide Life Insurance Company, the custodian of the Plan for the period January 1, 2008 through April 30, 2008, have certified that the following data included in the accompanying 2009 and 2008 financial statements and supplemental schedule is complete and accurate with respect to investments:

- Investments at fair value
- Net appreciation in fair value of investments
- Interest and dividends
- Schedule of assets (held at end of year)

The Plan's independent public accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

KB ELECTRONICS, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

(5) Fair value measurements

FASB ASC 820, (formerly SFAS 157), *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 820 are described below:

- 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 and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market 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.

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 the observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

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

Fund of Funds: Valued at quoted market prices, which represent the net asset value of shares held by the Plan at year end.

Participant Loans: Valued at their outstanding balance, which approximates fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of the 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.

KB ELECTRONICS, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

(5) Fair value measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2009:

Investments at Fair Value as of December 31, 2009				
	Level 1	Level 2	Level 3	Total
Mutual Funds				
International	\$ 434,691	\$ -	\$ -	\$ 434,691
Small/Mid Cap	668,053	-	-	668,053
Large Cap	709,523	-	-	709,523
Balanced	278,522	-	-	278,522
Bond	753,053	-	-	753,053
Money Market	33,760	-	-	33,760
Total Mutual Funds	<u>2,877,602</u>	<u>-</u>	<u>-</u>	<u>2,877,602</u>
Fund of Funds				
Large Cap	<u>-</u>	<u>48,345</u>	<u>-</u>	<u>48,345</u>
Total Fund of Funds	<u>-</u>	<u>48,345</u>	<u>-</u>	<u>48,345</u>
Loans to participants	<u>-</u>	<u>-</u>	<u>72,011</u>	<u>72,011</u>
Total investments at fair value	<u>\$ 2,877,602</u>	<u>\$ 48,345</u>	<u>\$ 72,011</u>	<u>\$ 2,997,958</u>

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2008.

Investments at Fair Value as of December 31, 2008				
	Level 1	Level 2	Level 3	Total
Mutual Fund accounts	\$ 2,275,840	\$ -	\$ -	\$ 2,275,840
Fund of Funds accounts	-	26,554	-	26,554
Loans to participants	<u>-</u>	<u>-</u>	<u>37,739</u>	<u>37,739</u>
Total investments at fair value	<u>\$ 2,275,840</u>	<u>\$ 26,554</u>	<u>\$ 37,739</u>	<u>\$ 2,340,133</u>

KB ELECTRONICS, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

(5) Fair value measurements (Continued)

The table below sets forth a summary of changes in the fair value of the Plan's level 3 investments for the year ended December 31, 2009.

	Level 3 Investments
	Year Ended December 31, 2009
	<u>Loans to Participants</u>
Balance, beginning of year	\$ 37,739
Net appreciation (depreciation) relating to instruments held at the reporting date	-
Purchases, issuances, and settlements	34,272
Balance, end of year	<u>\$ 72,011</u>

The table below sets forth a summary of changes in the fair value of the Plan's level 3 investments for the year ended December 31, 2008

	Level 3 Investments
	Year Ended December 31, 2008
	<u>Loans to Participants</u>
Balance, beginning of year	\$ 52,719
Net appreciation (depreciation) relating to instruments held at the reporting date	-
Purchases, issuances, and settlements	(14,980)
Balance, end of year	<u>\$ 37,739</u>

(6) Related party transactions

Certain Plan investments are in separate funds managed by SunTrust Bank. SunTrust is the custodian as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid to SunTrust by the Plan for investment management and recordkeeping services totaled \$4,176 and \$1,688 for the years ended December 31, 2009 and 2008, respectively. No fees were paid to Nationwide by the Plan during 2008.

KB ELECTRONICS, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

(7) 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 would become 100% vested in their employer contributions.

(8) Reconciliation of financial statements to Schedule H of Form 5500

The following is a reconciliation of total income per the financial statements for the years ended 2009 and 2008 to Form 5500:

	<u>Years Ended December 31,</u>	
	<u>2009</u>	<u>2008</u>
Net increase (decrease) in net assets per the financial statements	\$ 657,825	\$ (884,414)
Loans deemed distributed in prior year	-	(6,516)
Net increase (decrease) in net assets per the form 5500	<u>\$ 657,825</u>	<u>\$ (890,930)</u>

(9) Tax status

The Internal Revenue Service has issued an opinion letter to SunTrust Bank dated August 31, 2008, that the prototype Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has not received its own determination letter, however, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

(10) Risks and uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, 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 financial statements.

(11) Subsequent events

The Plan has evaluated subsequent events through July 19, 2010, which is the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULE

KB ELECTRONICS, INC. 401(k) PROFIT SHARING PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2009

EIN: 11-2140559

Plan Number: 002

(a)	(b)	(c) Description of investments including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
Identity of issue, borrower, lessor, or similar party				
* RidgeWorth Investment Grade Bond I		Mutual Fund	(1)	\$ 526,325
* RidgeWorth Mid-Cap Value Equity I		Mutual Fund		313,794
Oppenheimer Equity Fund - A		Mutual Fund		248,586
American Century Vista - Advisor		Mutual Fund		237,974
AllianceBernstein International Growth A		Mutual Fund		201,681
Oppenheimer Global Fund A		Mutual Fund		183,761
Fidelity Advisor Equity Growth Fund - T		Mutual Fund		167,118
T.Rowe Price Retirement 2020 Fund R		Mutual Fund		148,397
* RidgeWorth Large Cap Value Equity I		Mutual Fund		121,917
* RidgeWorth Large Cap Core Equity I		Mutual Fund		102,473
T.Rowe Price Retirement 2010 Fund R		Mutual Fund		85,449
Oppenheimer International Bond Fund A		Mutual Fund		80,240
Dreyfus Bond Market Index Fund Investor		Mutual Fund		79,707
* RidgeWorth Short-Term Bond I		Mutual Fund		66,781
MFS Value R3		Mutual Fund		66,091
Federated Mid Cap Index IS		Mutual Fund		52,536
* RidgeWorth International Equity Index I		Mutual Fund		49,249
* SunTrust Retirement 500 Index Fd Class B		Fund of Funds		48,345
* RidgeWorth Small Cap Growth Stock I		Mutual Fund		46,113
T.Rowe Price Retirement 2040 Fund R		Mutual Fund		34,677
* RidgeWorth Prime Quality Money Market I		Mutual Fund		33,760
Dreyfus Small Cap Stock Index Fund		Mutual Fund		12,738
T.Rowe Price Retirement 2030 Fund R		Mutual Fund		9,999
Perkins Small Cap Value S		Mutual Fund		4,898
* RidgeWorth Aggressive Growth Stock I		Mutual Fund		3,338
				<u>\$ 2,925,947</u>
Participant loans maturing through December 2014, rates ranging from 4.25% to 8.25%			\$	72,011

* Party-in-interest as defined by ERISA

(1) Cost information may be omitted for Plan assets, which are participant-directed

ASSETS HELD FOR INVESTMENT PURPOSES

KB Electronics, Inc. 401(k) Profit Sharing Plan
01-JAN-09 to 31-DEC-09

01-FEB-10 23:14:18

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
1AWPAX			260,465.06	201,680.72
1OP-GLB			203,170.89	183,761.04
1SU-INI			62,315.72	49,249.08
1TWVAX			321,786.04	237,974.25
1DISSX			12,167.17	12,738.42
1FMDCX			57,525.92	52,535.53
1JISCX1			4,636.00	4,898.39
1SU-MVL			308,182.35	313,793.14
1SU-SCG			47,033.77	46,112.61
1FA-EGF			210,676.64	167,117.95
1MEIHX			53,578.02	66,091.43
1OEQAX			289,683.50	248,586.30
1SCATX			3,350.83	3,337.67
1SU-CGI			115,189.62	102,473.02
1SU-VI			139,654.92	121,917.47
1SU-50B			50,256.15	48,345.03
1RRTAX			90,227.26	85,449.12
1RRTBX			156,980.80	148,397.25
1RRTCX			9,093.47	9,998.61
1RRTDX			32,097.02	34,676.60
1DBMIX			78,380.96	79,706.57
1OIBAX			81,661.37	80,240.47
1SU-IGB			494,890.15	526,324.62
1SU-STB			66,235.68	66,781.45
1SU-PMM			33,760.22	33,760.22
			3,182,999.53	2,925,946.96
PARTICIPANT LOANS	VARIOUS	4.250-8.250	71,954.10	72,010.79
FORFEITURES			0.06	0.06

ASSETS HELD FOR INVESTMENT PURPOSES

KB Electronics, Inc. 401(k) Profit Sharing Plan
01-JAN-09 to 31-DEC-09

01-FEB-10 23:14:18

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
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LEGEND

INVESTMENT OPTION:

1AWPAX AllianceBernstein International Growth A
 1SU-INI RidgeWorth International Equity Index I
 1DISSX Dreyfus Small Cap Stock Index Fund
 1JISCX1 Perkins Small Cap Value S
 1SU-SCG RidgeWorth Small Cap Growth Stock I
 1MEIHX MFS Value R3
 1SCATX RidgeWorth Aggressive Growth Stock I
 1SU-VI RidgeWorth Large Cap Value Equity I
 1RRTAX T. Rowe Price Retirement 2010 Fund - R
 1RRTCX T. Rowe Price Retirement 2030 Fund - R
 1DBMIX Dreyfus Bond Market Index Fund Investor
 1SU-IGB RidgeWorth Investment Grade Bond I
 1SU-PMM RidgeWorth Prime Quality Money Market I

1OP-GLB Oppenheimer Global Fund A
 1TWVAX American Century Vista - Advisor
 1FMDCX Federated Mid Cap Index IS
 1SU-MVL RidgeWorth Mid-Cap Value Equity I
 1FA-EGF Fidelity Advisor Equity Growth Fund - T
 1OEQAX Oppenheimer Equity Fund - A
 1SU-CGI RidgeWorth Large Cap Core Equity I
 1SU-50B SunTrust Retirement 500 Index Fd Class B
 1RRTBX T. Rowe Price Retirement 2020 Fund - R
 1RRTDX T. Rowe Price Retirement 2040 Fund - R
 1OIBAX Oppenheimer International Bond Fund A
 1SU-STB RidgeWorth Short-Term Bond I

COST OF ASSETS: The original cost of the assets in each investment option as of the last day of the plan year

CURRENT VALUE: The value of all assets in each investment option as of the last day of the plan year