

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
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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	
	☒ 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 INTERNET BROADCASTING SYSTEMS, INC. 401(K) PLAN	1b Three-digit plan number (PN) ►	001	
	1c Effective date of plan	01/01/1997	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) INTERNET BROADCASTING SYSTEMS 355 RANDOLPH AVE SAINT PAUL, MN 55102	2b Employer Identification Number (EIN) 52-2016214	2c Sponsor's telephone number 651-365-4245	2d Business code (see instructions) 519100

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.	07/28/2010	LORI RUMANN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/28/2010	SHAWN FEATHERSTON
	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") INTERNET BROADCASTING SYSTEMS 355 RANDOLPH AVE SAINT PAUL, MN 55102	3b Administrator's EIN 52-2016214 3c Administrator's telephone number 651-365-4245
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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
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5 Total number of participants at the beginning of the plan year	5	500
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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	304
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	165
d Subtotal. Add lines 6a , 6b , and 6c	6d	469
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	469
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	420
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	34

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2K 2S 2T 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) ☒ 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) ☒ Trust (4) ☐ General assets of the sponsor
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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)
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SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	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 INTERNET BROADCASTING SYSTEMS, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 INTERNET BROADCASTING SYSTEMS	D Employer Identification Number (EIN) 52-2016214

Part I	Service Provider Information (see instructions)
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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	
AMERICAN FUNDS DISTRIBUTORS, INC.	
95-2769620	

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation	
BLACKROCK INVESTMENTS, INC.	
23-2784752	

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
FIDELITY DISTRIBUTORS CORP.	500 SALEM STREET MAIL ZONE 03N SMITHFIELD, RI 02917

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
INVESCO DISTRIBUTORS, INC.	
74-1894784	

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

LAZARD ASSET MANAGEMENT

30 ROCKEFELLER PLAZA
NEW YORK, NY 10112

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

MFS FUND DISTRIBUTORS, INC.

04-2747644

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

OPPENHEIMER FUNDS INC.

13-2527171

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

ALLIANZ GLOBAL INVESTORS DISTRIBUTO

1345 AVENUE OF THE AMERICAS
NEW YORK, NY 10105

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

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

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

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

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)

ADP BROKER-DEALER

22-3319984

(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?
60 63	RECORD KEEPER	0	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

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

ADP

22-1467904

(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?
15 37 50 64	RECORD KEEPER	3124	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

MERRILL LYNCH PIERCE FENNER & SMITH

13-5674085

(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?
59 52 63	BROKERAGE	0	Yes ☒ No ☐	Yes ☒ No ☐	35336	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
ADP BROKER-DEALER	60 63	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
AMERICAN FUNDS DISTRIBUTORS, INC. 95-2769620	ANNUAL RATE 0.001 OF AVERAGE DAILY ASSETS. ANNUAL RATE 0.005 OF AVERAGE DAILY ASSETS.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ADP BROKER-DEALER	60 63	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
BLACKROCK INVESTMENTS, INC. 23-2784752	ANNUAL RATE 0.0025 OF AVERAGE DAILY ASSETS. ANNUAL RATE 0.0025 OF AVERAGE DAILY ASSETS.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ADP BROKER-DEALER	60 63	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
INVESCO DISTRIBUTORS, INC. 74-1894784	ANNUAL RATE 0.0025 OF AVERAGE DAILY ASSETS. ANNUAL RATE 0.0025 OF AVERAGE DAILY ASSETS.	

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
ADP BROKER-DEALER	60 63	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
FIDELITY DISTRIBUTORS CORP. 500 SALEM STREET MAIL ZONE O3N SMITHFIELD, RI 02917	ANNUAL RATE 0.0005 OF AVERAGE DAILY ASSETS. ANNUAL RATE 0.005 OF AVERAGE DAILY ASSETS.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ADP BROKER-DEALER	63	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
LAZARD ASSET MANAGEMENT 30 ROCKEFELLER PLAZA NEW YORK, NY 10112	ANNUAL RATE 0.0025 OF AVERAGE DAILY ASSETS.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ADP BROKER-DEALER	63	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
LORD ABBETT DISTRIBUTOR, LLC 90 HUDSON STREET JERSEY CITY, NJ 07032	ANNUAL RATE 0.0045 OF AVERAGE DAILY ASSETS.	

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
ADP BROKER-DEALER	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
ALLIANZ GLOBAL INVESTORS DISTRIBUTO 1345 AVENUE OF THE AMERICAS NEW YORK, NY 10105	ANNUAL RATE 0.002 OF AVERAGE DAILY ASSETS.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ADP BROKER-DEALER	63	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PIONEER INVESTMENT MANAGEMENT, INC 13-1961193	ANNUAL RATE 0.0025 OF AVERAGE DAILY ASSETS.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ADP BROKER-DEALER	60 63	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
OPPENHEIMER FUNDS INC. 13-2527171	ANNUAL RATE 0.0025 OF AVERAGE DAILY ASSETS. ANNUAL RATE 0.0025 OF AVERAGE DAILY ASSETS.	

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
MERRILL LYNCH PIERCE FENNER & SMITH	59 52 63	35336
(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.	
UNAVAILABLE UNAVAILABLE UNAVAILABLE, NJ 07932		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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 INTERNET BROADCASTING SYSTEMS, INC. 401(K) PLAN	B Three-digit plan number (PN)	001
C Plan sponsor's name as shown on line 2a of Form 5500 INTERNET BROADCASTING SYSTEMS	D Employer Identification Number (EIN) 52-2016214	

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		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	33975	20181
(2) Participant contributions	1b(2)	58118	45062
(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)	246487	187552
(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)	8834120	11443686
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(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	9172700	11696481

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		33850
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	33850

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	9172700	11662631
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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) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	252380	
(B) Participants	2a(1)(B)	1446583	
(C) Others (including rollovers)	2a(1)(C)	14267	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1713230
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)	13311	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		13311
(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)	128969	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		128969
(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)		2049018
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		3904528

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1381373	
(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)		1381373
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		30099
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	3125	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		3125
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1414597

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		2489931
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) ☒ 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: GRANT THORNTON,LLP

(2) EIN: 36-6055558

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		500000
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.			

- 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)

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 INTERNET BROADCASTING SYSTEMS, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 INTERNET BROADCASTING SYSTEMS	D Employer Identification Number (EIN) 52-2016214

Part I	Distributions
---------------	----------------------

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 57-1198022		
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

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

Schedule R (Form 5500) 2009
v.092308.1

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): _____

Financial Statements and Report of Independent
Certified Public Accountants

Internet Broadcasting Systems, Inc.
401(k) Plan and Trust

December 31, 2009 and 2008

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Report of Independent Certified Public Accountants

Plan Sponsor
Internet Broadcasting Systems, Inc. 401(k) Plan and Trust

Audit • Tax • Advisory

Grant Thornton LLP
175 W Jackson Boulevard, 20th Floor
Chicago, IL 60604-2687
T 312.856.0200
F 312.565.4719
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We were engaged to audit the financial statements of Internet Broadcasting Systems, Inc. 401(k) Plan and Trust (the "Plan") as of December 31, 2009 and 2008 and for the years then ended, and the supplemental schedule as of December 31, 2009, as listed in the accompanying contents. These financial statements and supplemental schedule are the responsibility of the Plan Administrator.

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 described in Note E, which was certified by JP Morgan Chase Bank, N.A., the trustee of the Plan as of and for the years ended December 31, 2009 and 2008, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the trustee held the Plan's investment assets and execute investment transactions. The Plan Administrator has obtained certifications 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 supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants 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.

GRANT THORNTON LLP

Minneapolis, Minnesota
July 27, 2010

FINANCIAL STATEMENTS

Internet Broadcasting Systems, Inc.
401(k) Plan and Trust

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31,

	<u>2009</u>	<u>2008</u>
ASSETS		
Investments, at fair value		
Mutual funds	\$ 11,443,686	\$ 8,834,120
Participant loans	<u>187,552</u>	<u>246,487</u>
	11,631,238	9,080,607
Contributions receivable		
Participant elective deferrals	45,062	58,118
Employer matching	<u>20,181</u>	<u>33,975</u>
	<u>65,243</u>	<u>92,093</u>
Total assets	11,696,481	9,172,700
LIABILITIES		
Excess contributions payable	<u>33,850</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 11,662,631</u>	<u>\$ 9,172,700</u>

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

**Internet Broadcasting Systems, Inc.
401(k) Plan and Trust**

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the years ended December 31,

	<u>2009</u>	<u>2008</u>
ADDITIONS		
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments	\$ 2,049,018	\$ (4,020,490)
Interest and dividends	<u>142,280</u>	<u>249,717</u>
Total investment income (loss)	2,191,298	(3,770,773)
Contributions		
Participant elective deferrals	1,446,583	1,812,929
Participant rollovers	14,267	46,622
Employer matching	<u>252,380</u>	<u>300,392</u>
	<u>1,713,230</u>	<u>2,159,943</u>
Total additions, net of investment income (loss)	3,904,528	(1,610,830)
DEDUCTIONS		
Benefits paid to participants	1,411,472	1,432,092
Investment and administrative expenses	<u>3,125</u>	<u>3,550</u>
Total deductions	<u>1,414,597</u>	<u>1,435,642</u>
NET INCREASE (DECREASE)	2,489,931	(3,046,472)
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	<u>9,172,700</u>	<u>12,219,172</u>
End of year	<u>\$ 11,662,631</u>	<u>\$ 9,172,700</u>

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

**Internet Broadcasting Systems, Inc.
401(k) Plan and Trust**

NOTES TO FINANCIAL STATEMENTS

December 31, 2009 and 2008

NOTE A – PLAN DESCRIPTION

The following description of the Internet Broadcasting Systems, Inc. (the “Company” or “Plan Sponsor”) 401(k) Plan and Trust (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA), and is designed to provide employees with additional security for their retirement. The Plan was established January 1, 1997 and was most recently amended and restated effective July 1, 2008 to allow for automatic enrollment into the Plan.

Eligibility

Employees of the Company who are age 21 or older, excluding nonresident aliens, leased employees or members of a union who bargained separately for retirement plans during negotiations, are eligible to participate in the Plan beginning on the first day of the month following one month of employment. Employees are eligible for employer matching contributions when they become participants in the Plan. Employees are eligible for employer profit sharing contributions if they are participating in the Plan and are employed by the Company on the last day of the Plan year.

Funding Policy

Participant elective deferrals are permitted up to 50% of the participant’s eligible compensation as defined in the Plan, subject to limits established by law. Participants satisfying certain criteria are permitted to make catch-up contributions, as stated in the Plan agreement. Participants may also make rollover contributions to the Plan.

Employer matching and profit sharing contributions are made at the discretion of the Plan Sponsor. For the years ended December 31, 2009 and 2008, the Company matched 25% of the first 6% of eligible compensation. No discretionary profit sharing contributions were made for the years ended December 31, 2009 and 2008.

Vesting

Participants have a fully vested interest in their participant elective deferral, catch-up, and rollover contributions, plus actual earnings thereon. Employer discretionary matching and discretionary profit sharing contributions vest ratably on an annual basis over four years of service.

**Internet Broadcasting Systems, Inc.
401(k) Plan and Trust**

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2009 and 2008

NOTE A – PLAN DESCRIPTION – Continued

Forfeitures

Participants who are not 100% vested in the employer matching and profit sharing contributions will forfeit non-vested amounts upon termination of employment. The Plan Sponsor may use these funds to reduce employer matching or profit sharing contributions as described in the Plan agreement. Forfeiture activity was as follows for the years ended December 31:

	<u>2009</u>	<u>2008</u>
Unallocated forfeitures	\$ 1,937	\$ 1,371
Amounts forfeited	28,677	52,221
Forfeitures used to reduce employer contribution	14,057	25,493

Participants' Accounts

Participants' accounts are credited with their participant contributions (elective deferral, catch-up and rollover), employer matching contributions, an allocation of employer profit sharing contributions, Plan earnings or losses and Plan expenses. Allocations of Company discretionary contributions are based on participants' compensation as specified in the Plan and allocations of Plan earnings or losses are based on participant account balances, as defined in the Plan. The benefit to which a participant is entitled is the vested portion of the participant's account.

Payment of Benefits

On termination of service due to death, total and permanent disability, termination of employment or retirement, a participant may elect to receive a lump-sum distribution equal to the value of the participant's vested interest in his or her account, net of tax, to rollover the entire vested portion to a qualified plan or to receive installments over a specified period as provided for in the Plan. If the participant's vested balance is greater than \$1,000, the participant may elect not to receive a distribution at the date of termination, as defined in the Plan agreement. If the vested account balance does not exceed \$1,000, the participant will receive a lump-sum distribution, net of tax.

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 a termination, participants will become 100% vested in their accounts. Any unallocated assets of the plan shall be allocated to participant accounts and distributed in such a manner as the Company may determine.

Participant Loans

Participants may borrow from their fund accounts a minimum of \$500 and up to a maximum equal to the lesser of 50% of their vested account balance or \$50,000. The loans are secured by the balance of the participants' account and bear interest at the prime rate plus one percent. Principal and interest for active participants are paid ratably through payroll deductions.

**Internet Broadcasting Systems, Inc.
401(k) Plan and Trust**

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2009 and 2008

NOTE A – PLAN DESCRIPTION – Continued

Investment Options

All funds of the Plan are participant directed. Participants may direct the investment of their account balances into various funds and may transfer assets in their accounts between funds on a daily basis.

Investment and Administrative Expenses

All Plan and administrative expenses are paid by either the Plan or the Plan Sponsor, as specified in the Plan agreement, unless the expense is unique to an individual participant when the expense will be charged to the participant's account.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies for the Plan consistently applied in the preparation of the accompanying financial statements follows:

Basis of Accounting

The accompanying financial statements have been prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Investment Valuation and Income Recognition

The Plan's mutual fund investments are valued at fair value as determined by the trustee, JP Morgan Chase Bank, N.A., based upon the quoted market prices on the last day of the Plan year. Participant loans are valued at the contract value of the loan, which approximates fair value. See Note D for discussion on fair value measurements.

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

Net Appreciation (Depreciation) in Fair Value of Investments

Net appreciation (depreciation) in the fair value of investments represents the net realized gains or losses and the net unrealized appreciation or depreciation of investments. Realized gains or losses are the differences between the proceeds received and either the cost of the investment sold, determined on an average cost basis, or the fair value at the end of the previous year, whichever is applicable. Unrealized appreciation or depreciation is the change in the difference between fair value and the cost of the investments or the fair value at the end of the previous year, whichever is applicable.

**Internet Broadcasting Systems, Inc.
401(k) Plan and Trust**

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2009 and 2008

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Benefits Paid to Participants

Benefits paid to participants are recorded by the Plan when paid.

Excess Contributions Payable

Excess contributions are recorded for refunds payable to participants due to contributions in excess of Plan guidelines and IRS law.

Risks and Uncertainties

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires Plan management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In June 2009, the FASB issued guidance that established the FASB Accounting Standards Codification, ("ASC" or "Codification") as the source of authoritative accounting principles recognized by the FASB to be applied to nongovernmental entities in the preparation of financial statements in conformity with generally accepted accounting principles. The use of the Codification did not have a significant impact on the financial statements or disclosures as a result of this adoption.

In January 2010, the FASB issued ASU No. 2010-06, *Improving Disclosures about Fair Value Measurements* ("ASU 2010-06"), which includes amendments to Topic 820, *Fair Value Measurements and Disclosures*, that will provide more robust disclosures about (1) the different classes of assets and liabilities measured at fair value, (2) the valuation techniques and inputs used, (3) the activity in Level 3 fair value measurements, and (4) the transfers between Levels 1, 2, and 3. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll-forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The application of ASU 2010-06 will not have a material impact on the Plan's financial statements.

**Internet Broadcasting Systems, Inc.
401(k) Plan and Trust**

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2009 and 2008

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

FASB Staff Position 157-4, *Disclosures Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly* (FSP), was issued in 2009 and later codified into ASC 820, which expanded disclosures and required that major category for debt and equity securities in the fair value hierarchy table be determined on the basis of the nature and risks of the investments.

In May 2009, the FASB issued ASC 855-10, *Subsequent Events*, which requires all entities to evaluate subsequent events through the date that the financial statements are available to be issued and disclose in the notes the date through which the Plan has evaluated subsequent events and whether the financial statements were issued or were available to be issued on the disclosed date. ASC 855-10 is effective for annual periods ending after June 15, 2009 and must be applied prospectively. The Plan adopted ASC 855-10 during 2009, with no impact to the financial statements other than subsequent event footnote disclosures.

Subsequent Events

The Plan evaluated its December 31, 2009 financial statements for subsequent events through July 27, 2010, the date the financial statements were available to be issued. The Plan is not aware of any subsequent events, which would require recognition or disclosure in the financial statements.

NOTE C – INVESTMENTS

The fair value of individual investments that represent 5% or more of the Plan's net assets available for benefits are as follows:

	<u>December 31,</u>	
	<u>2009</u>	<u>2008</u>
<u>Mutual funds</u>		
MFS Research International Fund, 94,511 and 87,820 shares	\$1,313,697	\$ 944,069
Merrill Lynch Ready Assets Trust, 1,261,421 and 1,184,143 shares	1,261,421	1,184,143
American Funds Growth Fund of America, 43,289 and 47,231 shares	1,165,777	954,059
Merrill Lynch Large-Cap Growth Fund, 120,057 and 115,852 shares	1,103,327	814,437
Oppenheimer Small & Mid-Cap Value Fund, 37,274 and 36,750 shares	990,750	675,461
Merrill Lynch Equity Dividend Fund, 59,062 and 57,235 shares	934,367	757,214
Merrill Lynch Global Allocation Fund, 50,659 and 47,364 shares	906,296	709,034

**Internet Broadcasting Systems, Inc.
401(k) Plan and Trust**

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2009 and 2008

NOTE C – INVESTMENTS – Continued

	<u>December 31,</u>	
	<u>2009</u>	<u>2008</u>
Fidelity Advisor Small-Cap Fund, 41,503 and 37,492 shares	\$ 888,157	\$ 628,749
MFS Total Return Fund, 64,381 and 64,874 shares	845,326	742,164
Merrill Lynch Basic Value Fund, 26,282 shares 2009	605,013	*
Merrill Lynch Government Inc. Fund, 43,440 shares 2008	*	\$468,719

* Individual investment did not represent five percent or more of the Plan's net assets available for benefits.

The Plan's investments in mutual funds (including investments bought, sold, and held during the year) appreciated in value by \$2,049,018 and depreciated in value by \$4,020,490 for the years ended December 31, 2009 and 2008, respectively.

NOTE D – FAIR VALUE MEASUREMENTS

The Plan adopted ASC 820, *Fair Value Measurements*, effective January 1, 2008. ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 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 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.

**Internet Broadcasting Systems, Inc.
401(k) Plan and Trust**

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2009 and 2008

NOTE D – FAIR VALUE MEASUREMENTS – Continued

The asset's 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:

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

Participant loans: Valued at amortized cost, which approximates fair value.

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

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

	December 31, 2009			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Growth funds (a)	\$ 4,012,224	\$ -	\$ -	\$ 4,012,224
Value funds (b)	3,347,385	-	-	3,347,385
Stock funds (c)	952,890	-	-	952,890
Money market funds (d)	1,261,421	-	-	1,261,421
Balanced funds (e)	888,157	-	-	888,157
Fixed income funds (f)	620,773	-	-	620,773
Index funds (g)	360,836	-	-	360,836
Participant loans	-	-	187,552	187,552
Total assets at fair value	<u>\$11,443,686</u>	<u>\$ -</u>	<u>\$187,552</u>	<u>\$11,631,238</u>
	December 31, 2008			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$8,834,120	\$ -	\$ -	\$8,834,120
Participant loans	-	-	246,487	246,487
Total assets at fair value	<u>\$8,834,120</u>	<u>\$ -</u>	<u>\$246,487</u>	<u>\$9,080,607</u>

Internet Broadcasting Systems, Inc.
401(k) Plan and Trust

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2009 and 2008

NOTE D – FAIR VALUE MEASUREMENTS – Continued

- (a) Growth funds seek capital growth by investment in common stocks. The funds invest primarily in common stocks and seek to invest in companies that appear to offer superior opportunities for growth of capital. The funds may invest a percentage of its assets in securities of issuers domiciled outside the United States.
- (b) Value funds seek capital appreciation. These funds normally invest in stocks of U.S. issuers having certain market capitalization. The investments may include common stocks, preferred stocks, securities convertible into U.S. common stocks, U.S. dollar-denominated ADRs, and U.S. dollar-denominated foreign stocks traded on U.S. exchanges.
- (c) Stock funds seek long-term growth of principal and income. The funds generally invest in a diversified portfolio of equity securities issued by U.S. and non-U.S. companies. The funds normally invest in stocks of companies located around the world to take advantage of investment opportunities generated by changes in international trade patterns and economic and political relationships. The funds invest in well established companies based on standards of the applicable market.
- (d) Money market funds seek preservation of capital, liquidity and the highest possible current income consistent with this objective available from investing in a diversified portfolio of short term money market securities. The funds primarily invest in a diversified portfolio of short-term money market securities which are generally debt securities and other instruments that mature within 13 months. They may only invest in money market instruments of issuers with the highest short-term ratings from a nationally recognized credit rating organization. Typically the dollar-weighted average maturity may not exceed 90 days.
- (e) Balanced funds normally invest at least 80% of assets in securities of companies with small market capitalizations (those with market capitalizations similar to companies in the Russell 2000® Index or the Standard & Poor's Small Cap 600 Index). The funds invest in either growth stocks or value stocks or both. The funds invest in domestic and foreign issuers. Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. The securities of smaller, less well-known companies can be more volatile than those of larger companies. Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks.
- (f) Fixed income funds seek maximum total return. The funds normally invest at least 65% of assets in a diversified portfolio off fixed-income instruments of varying maturities, which may be represented by forwards or derivatives such as options, futures contracts, or swap agreements. The funds invest primarily in investment-grade debt securities, but may invest up to 10% of total assets in high-yield securities. The funds may invest all assets in derivative instruments, such as options, futures contracts or swap agreements, or in mortgage- or asset-backed securities.

**Internet Broadcasting Systems, Inc.
401(k) Plan and Trust**

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2009 and 2008

NOTE D – FAIR VALUE MEASUREMENTS – Continued

- (g) Index funds seek to track the performance of a benchmark index that measures the investment return of required capitalization of stocks. The fund employs a passive management investment approach designed to track the performance of the identified index. It invests all, or substantially all, of assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Level 3 Gains and Losses

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended:

<u>Participant loans</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Balance, beginning of year	\$246,487	\$157,166
Loans, issuances and repayments (net)	<u>(58,935)</u>	<u>89,321</u>
Balance, end of year	<u>\$187,552</u>	<u>\$246,487</u>

NOTE E – TRUSTEE CERTIFICATIONS

All Plan assets were held by JP Morgan Chase Bank, N.A., trustee of the Plan assets as of and for the years ended December 31, 2009 and 2008. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator has received certifications from the trustees that the statements submitted by them regarding Plan investments at fair value, except participant loans which are valued at amortized cost totaling \$11,631,238 and \$9,080,607 at December 31, 2009 and 2008 and investment income of \$2,191,298 and investment loss of \$3,770,773 for the years ended December 31, 2009 and 2008, respectively, are a complete and accurate accounting and are in accordance with the books and records of the trustees.

NOTE F – INCOME TAX STATUS

The Plan adopted the Automatic Data Processing Federal Credit Union's proto-type plan (prototype plan). The prototype plan obtained its latest opinion letter on May 3, 2002, in which the Internal Revenue Service stated that the underlying prototype plan was designed in accordance with applicable section of the Internal Revenue Code (IRC). The Plan has been amended since receiving the opinion letter. However, the Plan Administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

**Internet Broadcasting Systems, Inc.
401(k) Plan and Trust**

NOTES TO FINANCIAL STATEMENTS – CONTINUED

December 31, 2009 and 2008

NOTE G – RELATED PARTIES

The Company has been designated as Plan Administrator and Plan Sponsor. Audit and legal fees are paid by the Plan Sponsor. Certain employees of the Company provide administrative services to the Plan. Those services are provided at no cost to the Plan.

Certain Plan investments are mutual funds managed by Merrill Lynch, affiliated with JP Morgan, and therefore, these transactions qualify as party-in-interest.

SUPPLEMENTAL SCHEDULE

**Internet Broadcasting Systems, Inc.
401(k) Plan and Trust**

**EIN No. 52-2016214
Plan No. 001**

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

December 31, 2009

(a)	(b) Identity of issuer	(c) Description of investment	(e) Current value
	<u>Mutual funds</u>		
	MFS	Research International Fund	\$ 1,313,697
*	Merrill Lynch	Ready Assets Trust	1,261,421
	American Funds	Growth Fund of America	1,165,777
*	Merrill Lynch	Large-Cap Growth Fund	1,103,327
	Oppenheimer	Small & Mid-Cap Value Fund	990,750
*	Merrill Lynch	Equity Dividend Fund	934,367
*	Merrill Lynch	Global Allocation Fund	906,296
	Fidelity	Advisor Small-Cap Fund	888,157
	MFS	Total Return Fund	845,326
*	Merrill Lynch	Basic Value Fund	605,013
*	Merrill Lynch	Government Inc. Fund	578,363
	Lazard	Mid-Cap Portfolio Fund	429,423
*	Merrill Lynch	S&P 500 Index Fund	360,837
	PIMCO	Total Return Fund	42,410
	AIM	Real Estate Fund	18,522
			<u>11,443,686</u>
*	Participant Loans	Interest ranging from 4.25% to 9.25%	<u>187,552</u>
		Total assets held for investment purposes	<u><u>\$ 11,631,238</u></u>

* Represents a party in-interest

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF: 12/31/2009

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Plan Name: INTERNET BROADCASTING SYSTEMS, INC. 401(K) PLAN
Plan Number: 001Employer EIN: 52-2016214
Run Date: 05/21/2010

(a) (b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment (Maturity Date, Rate of Int, Collateral, Par or Maturity Value)	(d) Cost	(e) Current Value
PIMCO TOTAL RETURN FUND - A	Registered Investment Company	3,926.8118	42,409.57
BLACKROCK S&P 500 FUND - I	Registered Investment Company	26,473.7430	360,837.12
INVESCO REAL ESTATE - A	Registered Investment Company	1,042.3594	18,522.73
MFS RESEARCH INTERNATIONAL - A	Registered Investment Company	94,510.6021	1,313,697.37
OPPENHEIMER SM&MD CAP VALUE -A	Registered Investment Company	37,274.2703	990,750.10
LAZARD US MIDCAP EQU PORT-OPEN	Registered Investment Company	42,183.0148	429,423.09
MFS TOTAL RETURN - A	Registered Investment Company	64,381.2320	845,325.58
FIDELITY ADVISOR SMALL CAP - T	Registered Investment Company	41,502.6488	888,156.69
BLACKROCK BASIC VAL FUND - A	Registered Investment Company	26,282.0736	605,013.34
BLACKROCK EQUITY DIVIDEND - A	Registered Investment Company	59,062.3731	934,366.74
BLACKROCK GLOBAL ALLOCATION A	Registered Investment Company	50,659.3829	906,296.36
BLACKROCK LG CAP GROWTH - A	Registered Investment Company	120,057.3176	1,103,326.75
READY ASSETS PRIME MONEY	Registered Investment Company	1,261,420.7800	1,261,420.78
AM FND THE GROWTH FND OF AM-R3	Registered Investment Company	43,289.1663	1,165,777.25
BLACKROCK GOVERNMENT INC - A	Registered Investment Company	56,042.8793	578,362.51
Participant Loans	Interest Rates (4.25% to 9.25%)	n/a	217,650.38
	TOTAL		11,661,336.36

NOTE: The following is specifically for Form 5500 reporting.
The difference between Participant Loans on this Schedule and Participant Loans reported on Form 5500 Schedule H or I is the amount of DDLs. Loan amounts shown here include DDLs, while loan amounts reported on 5500 forms do not include DDLs.

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RUN DATE: 05/21/2010

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SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (ACQUIRED AND DISPOSED OF WITHIN YEAR)

Period: 01/01/2009 through 12/31/2009

Plan Name: INTERNET BROADCASTING SYSTEMS, INC. 401(K) PLAN

Employer EIN: 52-2016214

Plan Number: 001

Run Date: 05/21/2010

(a) Identity of Issue, Borrower, or Similar Party	(b) Description of Investment (Maturity Date, Rate of Int, Collateral, Par or Maturity Value)	(c) Cost of Acquisitions	(d) Proceeds of Dispositions
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NOTE: IN ACCORDANCE WITH SPECIFIC INSTRUCTIONS, ACQUISITIONS
AND DISPOSITIONS OF CERTAIN TYPES OF ASSETS NEED NOT
BE REPORTED. THESE INCLUDE FUNDS OF COMMON/COLLECTIVE
TRUSTS AND REGISTERED INVESTMENT COMPANIES.

Schedule C, Line 2(h) Formula Description

For those service providers listed on Line 2 for which Line 2(h) has been checked “yes”:

For a description of indirect compensation received by service providers listed on Line 2 that was disclosed as a formula, please see Line 3(e). Please note: If indirect compensation disclosed as a formula was received by a service provider from more than one source, there will be multiple Lines 3(e) for that service provider.