Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2009 or fiscal plan year beginning 11/01/2008 and ending 10/31/2009

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
MARBORG INDUSTRIES 401(K) PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 06/01/2000

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

136 N QUARANTINA ST
SANTA BARBARA, CA 93140

2b Employer Identification Number (EIN) 95-2884838

2c Sponsor's telephone number 805-963-1852

2d Business code (see instructions) 562000

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			
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	08/16/2010	MARIO BORGATELLO
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
MARBORG INDUSTRIES

136 N QUARANTINA ST
SANTA BARBARA, CA 93140

3b Administrator's EIN
95-2884838

3c Administrator's telephone number
805-963-1852

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**	241
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**	204
b	Retired or separated participants receiving benefits	**6b**	
c	Other retired or separated participants entitled to future benefits	**6c**	6
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	210
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	
f	Total. Add lines **6d** and **6e**	**6f**	210
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	209
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	5
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	1

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

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance 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.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 11/01/2008 and ending 10/31/2009

A Name of plan
MARBORG INDUSTRIES 401(K) PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500.
MARBORG INDUSTRIES

D Employer Identification Number (EIN)
95-2884838

Part I **Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier
PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
42-0127290	61271	613953	210	11/01/2008	10/31/2009

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
15232	1464

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
SECURITIES AMERICA INC
12325 PORT GRACE BLVD
LAVISTA, NE 68128

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
14795	1464	SERVICE FEES	3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
BRECEK & YOUNG ADVISORS INC
1110 IRON POINT RD, STE 100
ROLSOM, CA 95630-8316

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
437			3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	
5	Current value of plan's interest under this contract in separate accounts at year end	5	

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.	6d	

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ CUSTODIAL GUAR INTEREST CONTRACT

b	Balance at the end of the previous year			7b	691517
c	Additions: (1) Contributions deposited during the year	7c(1)	91283		
	(2) Dividends and credits	7c(2)			
	(3) Interest credited during the year	7c(3)	27001		
	(4) Transferred from separate account	7c(4)			
	(5) Other (specify below)	7c(5)	246789		
	▶ TRANSFER; LN PMT				
	(6) Total additions			7c(6)	365073
d	Total of balance and additions (add **b** and **c(6)**)			7d	1056590
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	108737		
	(2) Administration charge made by carrier	7e(2)	353		
	(3) Transferred to separate account	7e(3)			
	(4) Other (specify below)	7e(4)	104502		
	▶ OTHER TRANS; CORRECTIONS; LN WD				
	(5) Total deductions			7e(5)	213592
f	Balance at the end of the current year (subtract **e(5)** from **d**)			7f	842998

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

a ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance
e ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug
i ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:				
a Premiums: (1) Amount received	**9a(1)**			
(2) Increase (decrease) in amount due but unpaid	**9a(2)**			
(3) Increase (decrease) in unearned premium reserve	**9a(3)**			
(4) Earned (**(1)** + **(2)** - **(3)**)			**9a(4)**	
b Benefit charges (1) Claims paid	**9b(1)**			
(2) Increase (decrease) in claim reserves	**9b(2)**			
(3) Incurred claims (add **(1)** and **(2)**)			**9b(3)**	
(4) Claims charged			**9b(4)**	
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	**9c(1)(A)**			
(B) Administrative service or other fees	**9c(1)(B)**			
(C) Other specific acquisition costs	**9c(1)(C)**			
(D) Other expenses	**9c(1)(D)**			
(E) Taxes	**9c(1)(E)**			
(F) Charges for risks or other contingencies	**9c(1)(F)**			
(G) Other retention charges	**9c(1)(G)**			
(H) Total retention			**9c(1)(H)**	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			**9c(2)**	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			**9d(1)**	
(2) Claim reserves			**9d(2)**	
(3) Other reserves			**9d(3)**	
e Dividends or retroactive rate refunds due. (Do not include amount entered in **c(2)**.)			**9e**	
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			**10a**	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.			**10b**	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☐ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

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 11/01/2008 and ending 10/31/2009

A Name of plan
MARBORG INDUSTRIES 401(K) PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
MARBORG INDUSTRIES

D Employer Identification Number (EIN)
95-2884838

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	58409	57295
(2) Participant contributions	1b(2)	21987	20238
(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)	127659	198834
(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)	7189750	9599840
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	934598	842998
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	8332403	10719205
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k		
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	8332403	10719205

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)	864734	
	(B) Participants	2a(1)(B)	412659	
	(C) Others (including rollovers)	2a(1)(C)	11297	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1288690
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)	9575	
	(F) Other	2b(1)(F)	27001	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		36576
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		1313378
c Other income	2c		-165
d Total income. Add all **income** amounts in column (b) and enter total	2d		2638479
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	247221	
(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)		247221
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	4456	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		4456
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		251677
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		2386802
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: BARTLETT, PRINGLE, & WOLF, LLP (2) EIN: 95-2089835

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

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

Part IV Compliance Questions

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

During the plan year:

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

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)

MarBorg Industries 401(k)

October 31, 2009 and 2008

Financial Statements



Bartlett, Pringle & Wolf, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

MarBorg Industries
401(k) Plan

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BARTLETT, PRINGLE & WOLF, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Trustees of
MarBorg Industries 401(k) Plan:

We were engaged to audit the accompanying statement of net assets available for plan benefits of MarBorg Industries 401(k) Plan as of October 31, 2009 and 2008, and the related statement of changes in net assets available for plan benefits for the years then ended and the supplemental schedule of assets held for investment purposes as of October 31, 2009. These financial statements and the supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the United States 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 Principal Trust Company, the current trustee of the Plan and FASCore, LLC (a subsidiary of Great West Retirement Services), the former trustee of the Plan, except for comparing the information with the related information included in the financial statements and the supplemental schedule. We have been informed by the plan administrator that the trustees hold/held the Plan's investment assets and execute/executed investment transactions. The plan administrator has obtained certifications from the current trustee as of and for the year ended October 31, 2009 and as of and for the period from January 8, 2008 to October 31, 2008, and from the former trustee as of and for the year ending October 31, 2008, that the information provided to the plan administrator by the trustees 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 current and former trustees have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Bartlett, Pringle & Wolf, LLP

Santa Barbara, California
August 11, 2010

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MARBORG INDUSTRIES 401(K) PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

October 31, 2009 and 2008

ASSETS

	2009	2008
Assets:		
Receivables:		
Employer Contribution	$ 57,295	$ 58,409
Participant Contributions	20,238	21,987
Total receivables	77,533	80,396
Investments, at fair value	10,599,523	8,217,431
Total assets	10,677,056	8,297,827
Net assets available for benefits at fair value	$ 10,677,056	$ 8,297,827
Adjustment from fair value to contract value for fully benefit-responsive investment contract	42,149	34,576
Net assets available for plan benefits	$ 10,719,205	$ 8,332,403

See accompanying notes

MARBORG INDUSTRIES 401(K) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

For the Years Ended October 31, 2009 and 2008

	2009	2008
Additions to Net Assets Attributed to:		
Investment Income:		
Interest and dividends	$ 329,319	$ 597,620
Other income (expense)	(165)	-
Net appreciation (depreciation) in fair value of investments	1,020,635	(4,271,036)
Total investment income (loss)	1,349,789	(3,673,416)
Contributions:		
Employer's	864,734	995,571
Participant	412,659	440,169
Rollovers	11,297	22
Total contributions	1,288,690	1,435,762
Total additions (reductions)	2,638,479	(2,237,654)
Deductions from Net Assets Attributed to:		
Benefits paid to participants	247,221	477,649
Other distributions	-	46
Fees	4,456	740
Total deductions	251,677	478,435
Net increase (decrease) in plan assets	2,386,802	(2,716,089)
Net assets available for plan benefits:		
Beginning of year	8,332,403	11,048,492
End of year	$ 10,719,205	$ 8,332,403

See accompanying notes

Note 1 - Description of the Plan

The following description of the MarBorg Industries 401(k) Plan (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 MarBorg Industries 401(k) Plan, established June 1, 2000, is a defined contribution plan for eligible employees of MarBorg Industries (referred to as the "Company"). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan was restated and amended in its entirety effective November 1, 2008.

Contributions

Each year, participants may elect to defer at least 1%, but not more than 90% of their pretax annual compensation, as defined by the Plan. The Company may elect to make discretionary contributions on behalf of participants in accordance with the guidelines outlined in the Plan document. During 2009 and 2008, the Company contributed 8% of the employees' eligible Plan compensation.

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contribution and allocations of Plan earnings. Allocations are based on participant earnings on account balances, as defined. Forfeited balances of terminated participants' nonvested accounts are used to reduce Company contributions. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Eligibility and Vesting

Employees become eligible for the Plan following completion of 12 consecutive months of employment with at least 1,000 hours of service during that period. The Plan provisions outline certain exclusions to eligibility. The entry dates for elective deferral contributions are November 1, February 1, May 1, and August 1, immediately following the completion of the service requirement. The entry dates for employer contributions are November 1 and May 1, immediately following the completion of the service requirement. Participants are immediately vested in their contributions plus actual earnings thereon. A participant is 100 percent vested in employer contributions after six years of credited service.

Note 1 - **Description of the Plan (continued)**

Payment of Benefits

On termination of service, if the participant's balance exceeds $5,000, the participant may elect to receive their benefits in a lump sum or installment payments equal to the value of his or her account, or rollover their account into a new plan. If a terminating participant's balance is less than $5,000 he or she will receive a lump sum distribution automatically.

If the amount of the distribution exceeds $5,000 and there is no election to receive or rollover the distribution then the distribution will be rolled over into an IRA specified by the Plan.

Participant Loans

Participants may borrow up to the lesser of 50% of their salary deferral account balance in the Plan or $50,000. Loan terms shall not exceed 5 years, except in the case of a loan for the purchase of a primary residence. The loans are secured by the balance in the participant's account. Principal and interest is paid ratable through payroll.

Administrative Costs

Certain administrative costs of the Plan are absorbed by the Plan sponsor.

Forfeitures

Forfeitures of terminated participants' non-vested accounts are used to reduce employer contributions. At October 31, 2009 and 2008, forfeited non-vested accounts totaled $0 and $68,495, respectively. During the plan year $91,016 were used to offset employer contributions.

Termination of Plan

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

Note 2 - **Summary of Significant Accounting Policies**

Basis of Accounting

The financial statements have been prepared on the accrual basis.

Note 2 - Summary of Significant Accounting Policies (continued)

Basis of accounting (continued)

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Statement of Net Assets Available for Plan Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Plan Benefits is prepared on a contract basis.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan Administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Valuation of Investments

Investments held by the Plan at year-end are stated at market value based on quoted market prices. The aggregate change between years in market value of investments (net unrealized appreciation or depreciation) is included in net investment income.

Securities Transactions and Investment Income

Purchases and sales of securities are recorded on a trade-date basis. Gains and losses on the sale of investments are recorded as the difference between proceeds received and cost. Cost is determined generally on an average basis. The Plan presents, in the Statement of Changes in Net Assets Available for Plan Benefits, the net appreciation (depreciation) in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments. Interest and dividend income is recorded as earned on the accrual basis.

Risks and Uncertainties

The Plan provides for various investment options in any combination of stocks, bonds, fixed-income securities, mutual funds, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in

Note 2 - Summary of Significant Accounting Policies (continued)

Risks and Uncertainties (continued)

the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Plan Benefits and the Statement of Changes in Net Assets Available for Plan Benefits.

Payment of Benefits

Benefits are recorded when paid.

Note 3 - Tax Status

The Plan has received a favorable determination letter dated February 27, 2003 from the Internal Revenue Service (IRS) confirming its tax exempt status for federal income tax purposes. The Plan is also exempt from state income taxes. The Plan has been amended since receiving that determination 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 Internal Revenue Code. Subsequent to year end, the Plan received a new determination letter dated December 16, 2009.

Note 4 - Investments

FASCore, LLC, (a subsidiary of Great West) served as Trustee of the Plan until January 8, 2008 when Principal Trust Company became the new Trustee of the Plan. During the fiscal year ending October 31, 2008, plan assets in the amount of $10,378,629, were transferred from FASCore, LLC to Principal Trust Company. Assets held in the MetLife Pooled GIC were transferred by participant request on January 8, 2008 and the remaining balance of $242,981 was transferred to Principal Trust Company on January 8, 2009.

All investments of the Plan are participant directed and plan participants may select from several investment options offered by the Trustee.

At October 31, 2009 and 2008, the Plan's investments were held by the Trustees. The following is a summary of the Plan's financial information that is included in the financial statements based on information certified by the Trustees as complete and accurate in accordance with Section 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 following table presents the investments in the Plan that were certified by the Trustees as of October 31, 2009 and 2008:

Note 4 - Investments (continued)

	2009	2008
Investments at contract value		
Fixed Income Guaranteed Option*	$ 842,998	$ 691,517
Investments at fair value		
Mutual Funds:		
PIMCO Total Real Return A Fund*	742,256	-
Bond & Mortgage Secs R5 Fund*	141	582,092
Prin Life Time 2020 R5 Fund*	1,212,054	733,804
Prin Life Time 2030 R5 Fund*	1,413,023	910,434
Am Cent Equity Inc A Fund	887,822	-
Franklin Flex Cap Growth R Fund*	918,775	-
AB LargeCap Value III R5 Fund*	-	878,280
Prin LargeCap S&P 500 Index R5 Fund*	1,104,789	962,036
T. Rowe LargeCap Growth I R5*	-	709,910
SmallCap S&P 600 Index R5 Fund*	739,375	671,707
Diversified Intl R5 Fund*	624,149	522,156
Other registered investment companies	1,957,456	1,219,331
Investment Contracts	-	243,081
Participant Loans	198,834	127,659
Total Certified Investments	$ 10,641,672	$ 8,252,007

**Represents investments greater than 5% of the Plan's net assets*

The Trustees also certified to the completeness and accuracy of $1,020,635 of net appreciation in fair value of investments and $329,319 of interest and dividends related to the aforementioned investments for the year ended October 31, 2009.

Note 5 - Investment Contracts

In 2008, the Plan entered into a benefit-responsive group annuity contract with Principal Life Insurance Company (Principal). Principal maintains the contributions in a general account. The account is credited with earnings on the group annuity contract and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. The contract is presented on the face of the

Note 5 - **Investment Contracts (continued)**

Statement of Net Assets Available for Plan Benefits at fair value with an adjustment to contract value in arriving at net assets available for benefits. Contract value, as reported to the Plan by Principal, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the investment contract at October 31, 2009 was $800,849. The crediting interest rate is based on a formula agreed upon with the issuer, but may not be less than 1.45% percent. Such interest rates are reviewed on a semiannual basis for resetting.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (1) amendments to the plan documents, (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the plan sponsor or other plan sponsor events that cause a significant withdrawal from the Plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The plan administrator does not believe that any events which would limit the Plan's ability to transact at contract value with participants are probable of occurring.

Principal has the right to no longer receive deposits under the contract. However, the circumstances for termination of the contract are subject to certain provisions of the contract.

Average yields:	2009
Based on actual earnings	3.25%
Based on interest rate credited to participants	3.25%

Note 6 - **Fair Value Measurements**

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

Note 6 - Fair Value Measurements (continued)

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.

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. There have been no changes in the methodologies used at October 31, 2009 and 2008.

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

Guaranteed Investment Contracts: Valued based on information reported by the investment advisor using the audited financial statements of the contract 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 tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of October 31, 2009 and 2008:

Note 6 - Fair Value Measurements (continued)

	Assets at Fair Value as of 10/31/2009			
	Total Fair Value	Level 1	Level 2	Level 3
Mutual Funds:				
Mutual Funds- Balanced	$ 3,220,421	$ 3,220,421	$ -	$ -
Mutual Funds- Fixed Income	764,235	764,235	-	-
Mutual Funds- Equity	5,615,184	5,615,184	-	-
Fixed Income Guaranteed Option	800,849	-	-	800,849
Participant loans	198,834	-	-	198,834
Total assets at fair value	$ 10,599,523	$ 9,599,840	$ -	$ 999,683

	Assets at Fair Value as of 10/31/2008			
	Total Fair Value	Level 1	Level 2	Level 3
Mutual Funds:				
Mutual Funds- Balanced	$ 1,975,877	$ 1,975,877	$ -	$ -
Mutual Funds- Fixed Income	606,281	606,281	-	-
Mutual Funds- Equity	4,607,592	4,607,592	-	-
Fixed Income Guaranteed Option	900,022	-	-	900,022
Participant loans	127,659	-	-	127,659
Total assets at fair value	$ 8,217,431	$ 7,189,750	$ -	$ 1,027,681

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 year ended October 31, 2009.

	Guaranteed Investment	Participant Loans
Beginning balance, November 1, 2008	$ 900,022	$ 127,659
Realized gains/(losses) relating to instruments still held at reporting date	(42,149)	-
Purchases, sales, issuances, and settlements (net)	(57,024)	71,175
Ending balance, October 31, 2009	$ 800,849	$ 198,834

Note 7 - Related Party Transactions

Certain Plan investments are shares of mutual funds managed by Principal Trust Company. Principal Trust Company was the trustee of the Plan assets in 2009, therefore, these transactions qualify as party-in-interest transactions.

Note 8 - Reconciliation of Financial Statements to Form 5500

The Plan files a Form 5500 annually with the IRS. Differences can exist between financial statements prepared in accordance with accounting principles generally accepted in the United States and IRS regulations governing the preparation of Form 5500.

The following are reconciliations of individual line items of the Statement of Net Assets Available for Plan Benefits per the financial statements at October 31, 2009 to Form 5500:

Participant loans per the 5500	$ 198,834
Value of interest in registered investment companies per the 5500	9,599,840
Value of funds held in insurance co. general account per the 5500	842,998
Fair value adjustment from contract value for fully benefit-responsive investment contracts	(42,149)
Investments at fair value per the financial statements	$ 10,599,523

The following are reconciliations of individual line items of the Statement of Changes in Net Assets Available for Plan Benefits per the financial statements to the Form 5500 as of October 31, 2009:

Net investment loss from registered investment companies per 5500	$ 1,313,378
Total interest per 5500	36,576
Other income per financial statements	(165)
Total investment income per financial statements	$ 1,349,789

The following are reconciliations of individual line items of the Statement of Net Assets Available for Plan Benefits per the financial statements at October 31, 2008 to Form 5500:

Participant loans per the 5500	$ 127,659
Value of interest in registered investment companies per the 5500	7,189,750
Value of funds held in insurance co. general account per the 5500	934,598
Fair value adjustment from contract value for fully benefit-responsive investment contracts	(34,576)
Investments at fair value per the financial statements	$ 8,217,431

Note 8 - Reconciliation of Financial Statements to Form 5500 (continued)

The following are reconciliations of individual line items of the Statement of Changes in Net Assets Available for Plan Benefits per the financial statements to the Form 5500 as of October 31, 2008:

Net investment loss from registered investment companies per 5500	$ (3,734,353)
Other income per 5500	9,454
Included as dividends in financial statements	(546,137)
Net depreciation in fair value of investment per financial statements	$ (4,271,036)

Note 9 - Reclassification

Certain reclassifications have been made to prior year balances in order to conform to current year presentation.

Note 10 - Subsequent Event

Subsequent events have been evaluated through August 11, 2010, the date that the financial statements were available to be issued.

Supplemental Schedule

MARBORG INDUSTRIES 401(k) PLAN

SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR

INVESTMENT PURPOSES

Employer I.D. #: 95-2884838 Plan #: 002

October 31, 2008

(a)(b)Identity of Issuer	(c)Description of Investment	(e) Current Value
Investments, at market		
Fixed Income Guaranteed Option*	Guaranteed Investment Contract	$ 842,998
Franklin High Income R Fund	Mutual Fund	21,838
PIMCO Total Return A Fund	Mutual Fund	742,256
Bond & Mortgage Secs R5 Fund*	Mutual Fund	141
Prin Life Time Str Inc R5 Fund*	Mutual Fund	39,719
Prin Life Time 2010 R5 Fund*	Mutual Fund	132,887
Prin Life Time 2020 R5 Fund*	Mutual Fund	1,212,054
Prin Life Time 2030 R5 Fund*	Mutual Fund	1,413,023
Prin Life Time 2040 R5 Fund*	Mutual Fund	390,789
Prin Life Time 2050 R5 Fund*	Mutual Fund	31,949
Am Cent Equity Inc A Fund	Mutual Fund	887,822
Franklin Flex Cap Growth R Fund	Mutual Fund	918,775
Oppenheimer Rising Div A Fund	Mutual Fund	12,580
LargeCap S&P 500 Index R5 Fund*	Mutual Fund	1,104,789
First Amer RealEst Secs A Fund	Mutual Fund	58,486
Fidelity Adv Small Cap T Fund	Mutual Fund	32,620
Goldman Sachs Gr Opp A Fund	Mutual Fund	394,651
Heartland Select Value I Fund	Mutual Fund	233,383
Heartland Value Plus Fund	Mutual Fund	53,208
AIM Mid Cap Core Equity A Fund	Mutual Fund	46,853
JP Morgan Sm Cap Equity Fund A	Mutual Fund	13,241
MidCap S&P 400 Index R5 Fund*	Mutual Fund	123,867
SmallCap S&P 600 Index R5 Fund*	Mutual Fund	739,374
Am Fds EuroPacific Grth R3 Fund	Mutual Fund	6,135
Mutual Global Discovery R Fund	Mutual Fund	30,873
Oppen Developing Mkts A Fund	Mutual Fund	334,378
Diversified Intl R5 Fund*	Mutual Fund	624,149
		10,442,838
Participant loans	Loans	198,834
		$ 10,641,672

**Investments with a party in interest.*

Official Use Only

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 sections 104 and 4065 of the Employee Retirement 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

2008

This Form is Open to Public Inspection.

For calendar year 2008 or fiscal plan year beginning 11/01/2008 and ending 10/31/2009

A Name of plan
MARBORG INDUSTRIES 401(K) PLAN

B Three-digit plan number ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
MARBORG INDUSTRIES

D Employer Identification Number
95-2884838

Part I Distributions

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

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

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the plan year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits). 42-0127290

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 7.

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 ..... ▶ 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.

6a 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, do not complete the remainder of this schedule.

7 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

8 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. (See instructions.) ..... ☐ Increase ☐ Decrease ☐ No

Part IV Coverage (See instructions.)

9 Check the box for the test this plan used to satisfy the coverage requirements .... ☒ the ratio percentage test ☐ average benefit test



2 2 0 8 7 7 0 1 0 R



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

YARBORG INDUSTRIES 401(K) PLAN

EIN 95 2884838
PLAN NUMBER 002
PLAN YEAR 11/01/2008 TO 10/31/2009

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
*	Principal Life Insurance Company	Insurance Company General PRIN FIXED INC GUAR OPTION	$ 0.00	$ 842,996.48
	Franklin Templeton Investments	Registered Investment Company FRANKLIN HIGH INCOME R FUND	$ 0.00	$ 21,837.74
	PIMCO Funds	Registered Investment Company PIMCO TOTAL RETURN A FUND	$ 0.00	$ 742,253.99
*	Principal Financial Services	Registered Investment Company PRIN BOND & MTG SECS R5 FUND	$ 0.00	$ 140.88
*	Principal Financial Services	Registered Investment Company PRIN LIFETIME STR INC R5 FUND	$ 0.00	$ 39,719.25
*	Principal Financial Services	Registered Investment Company PRIN LIFETIME 2010 R5 FUND	$ 0.00	$ 132,886.55
*	Principal Financial Services	Registered Investment Company PRIN LIFETIME 2020 R5 FUND	$ 0.00	$ 1,212,053.60
*	Principal Financial Services	Registered Investment Company PRIN LIFETIME 2030 R5 FUND	$ 0.00	$ 1,413,022.75
*	Principal Financial Services	Registered Investment Company PRIN LIFETIME 2040 R5 FUND	$ 0.00	$ 390,789.41
*	Principal Financial Services	Registered Investment Company PRIN LIFETIME 2050 R5 FUND	$ 0.00	$ 31,949.41
	American Century Investments	Registered Investment Company AM CENT EQUITY INC A FD	$ 0.00	$ 887,521.84
	Franklin Templeton Investments	Registered Investment Company FRANKLIN FLEX CAP GROWTH R FD	$ 0.00	$ 918,774.52
	Oppenheimer	Registered Investment Company OPPENHEIMER RISING DIV A FUND	$ 0.00	$ 12,579.79
*	Principal Financial Services	Registered Investment Company PRIN LGCAP S&P 500 IDX R5 FUND	$ 0.00	$ 1,104,788.60
	First American	Registered Investment Company FIRST AMER REALEST SECS A FUND	$ 0.00	$ 58,486.46

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

F051TF

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

YARBORO INDUSTRIES 401(K) PLAN

EIN 95 2884838
PLAN NUMBER 002
PLAN YEAR 11/01/2008 TO 10/31/2009

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	Fidelity Investments	Registered Investment Company FIDELITY ADV SMALL CAP T FUND	$ 0.00	$ 22,619.80
	Goldman Sachs	Registered Investment Company GOLDMAN SACHS GR OPP A FUND	$ 0.00	$ 391,630.92
	Heartland Funds	Registered Investment Company HEARTLAND SELECT VALUE I FUND	$ 0.00	$ 235,383.15
	Heartland Funds	Registered Investment Company HEARTLAND VALUE PLUS FUND	$ 0.00	$ 53,207.60
	AIM Investments	Registered Investment Company AIM MID CAP CORE EQUITY A FUND	$ 0.00	$ 46,853.57
	JP Morgan Funds	Registered Investment Company JP MORGAN SM CAP EQUITY A FUND	$ 0.00	$ 13,243.87
*	Princor Financial Services	Registered Investment Company PRIN MIDCAP S&P 400 IDX R5 FD	$ 0.00	$ 123,866.83
*	Princor Financial Services	Registered Investment Company PRIN SMCAP S&P 600 IDX R5 FUND	$ 0.00	$ 739,374.72
	American Funds Service Company	Registered Investment Company AM FDS EUROPACIFIC GRTH R3 FD	$ 0.00	$ 6,134.71
	Franklin Templeton Investments	Registered Investment Company MUTUAL GLOBAL DISCOVERY R FUND	$ 0.00	$ 30,873.49
	Oppenheimer	Registered Investment Company OPPEN DEVELOPING MKTS A FUND	$ 0.00	$ 334,378.24
*	Princor Financial Services	Registered Investment Company PRINCIPAL DIV INTL R5 FUND	$ 0.00	$ 624,149.19
	Participant Loans	Range of Interest Rates Rates Range From 5.00% To 9.25%	$ 0.00	$ 198,834.00

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