Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
TDINDUSTRIES, INC. 401K/ESOP RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 004

1c Effective date of plan 09/18/1989

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

13850 DIPLOMAT DRIVE
DALLAS, TX 75234

2b Employer Identification Number (EIN) 26-0464612

2c Sponsor's telephone number 972-888-9500

2d Business code (see instructions) 238220

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.	10/01/2010	MICHAEL J. FITZPATRICK
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/01/2010	MICHAEL J. FITZPATRICK
	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")
TDINDUSTRIES, INC.

13850 DIPLOMAT DRIVE
DALLAS, TX 75234

3b Administrator's EIN
26-0464612

3c Administrator's telephone number
972-888-9500

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**	1975
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**	1451
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	337
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	1788
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	4
f	Total. Add lines **6d** and **6e**	**6f**	1792
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	1532
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	124
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

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

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

A Name of plan
TDINDUSTRIES, INC. 401K/ESOP RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 004

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

D Employer Identification Number (EIN)
26-0464612

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

CHARLES SCHWAB & CO., INC.

94-1737782

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

CHARLES SCHWAB INVESTMENT MGMT INC.

94-3106735

(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

(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

(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)

MILLIMAN, INC.

91-0675641

(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 17 36 37 38 50 59 64 70	NONE	95280	Yes [X] No [ ]	Yes [ ] No [X]	35820	Yes [ ] No [X]

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

CHARLES SCHWAB & CO., INC.

94-1737782

(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?
19 59	NONE	0	Yes [X] No [ ]	Yes [ ] No [X]	0	Yes [X] No [ ]

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

CHARLES SCHWAB TRUST COMPANY

42-1558009

(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?
19 25 59 62	NONE	0	Yes [X] No [ ]	Yes [X] No [ ]	35894	Yes [ ] No [X]

(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
CHARLES SCHWAB & CO., INC.	19 59	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 95-1411037	RANGE OF 0.00 - 0.02% OF AVERAGE DAILY BALANCE OF ASSETS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
CHARLES SCHWAB & CO., INC.	19 59	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.
CALAMOS 36-3316238	RANGE OF 0.00 - 0.02% OF AVERAGE DAILY BALANCE OF ASSETS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
CHARLES SCHWAB & CO., INC.	19 59	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.
DODGE & COX 94-1441976	RANGE OF 0.00 - 0.02% OF AVERAGE DAILY BALANCE OF 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
CHARLES SCHWAB & CO., INC.	19 59	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.
FEDERATED 25-1111467	RANGE OF 0.00 - 0.02% OF AVERAGE DAILY BALANCE OF ASSETS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
CHARLES SCHWAB & CO., INC.	19 59	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.
GARTMORE 93-6274329	RANGE OF 0.00 - 0.02% OF AVERAGE DAILY BALANCE OF ASSETS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
CHARLES SCHWAB & CO., INC.	19 59	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.
ING FUNDS 95-4516049	RANGE OF 0.00 - 0.02% OF AVERAGE DAILY BALANCE OF 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
CHARLES SCHWAB & CO., INC.	19 59	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.
JANUS 43-1804048	RANGE OF 0.00 - 0.02% OF AVERAGE DAILY BALANCE OF ASSETS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
CHARLES SCHWAB & CO., INC.	19 59	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.
SELECTED FUNDS 85-0360310	RANGE OF 0.00 - 0.02% OF AVERAGE DAILY BALANCE OF ASSETS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
CHARLES SCHWAB TRUST COMPANY	19 25 59	4956

(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 95-1411037	0

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
CHARLES SCHWAB TRUST COMPANY	19 25 59	4964

(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.
CALAMOS 36-3316238	0

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
CHARLES SCHWAB TRUST COMPANY	19 25 59	3415

(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.
DODGE & COX 94-1441976	0

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
CHARLES SCHWAB TRUST COMPANY	19 25 59	2072

(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.
FEDERATED 25-1111467	0

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
CHARLES SCHWAB TRUST COMPANY	19 25 59	3992

(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.
GARTMORE 93-6274329	0

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
CHARLES SCHWAB TRUST COMPANY	19 25 59	3449

(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.
ING FUNDS 95-4516049	0

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
CHARLES SCHWAB TRUST COMPANY	19 25 59	4095

(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.
JANUS 43-1804048	0

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
CHARLES SCHWAB TRUST COMPANY	19 25 59	8506

(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.
SELECTED FUNDS 85-0360310	0

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
MILLIMAN, INC.	15 17 36 37 38 59 64 70	4600

(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 95-1411037	0

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
MILLIMAN, INC.	15 17 36 37 38 59 64 70	4447

(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.
CALAMOS 36-3316238	0

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
MILLIMAN, INC.	15 17 36 37 38 59 64 70	3347
(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.	
DODGE & COX 94-1441976	0	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
MILLIMAN, INC.	15 17 36 37 38 59 64 70	1397
(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.	
FEDERATED 25-1111467	0	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
MILLIMAN, INC.	15 17 36 37 38 59 64 70	5012
(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.	
GARTMORE 93-6274329	0	

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
MILLIMAN, INC.	15 17 36 37 38 59 64 70	3017
(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.	
ING FUNDS 95-4516049	0	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
MILLIMAN, INC.	15 17 36 37 38 59 64 70	3854
(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.	
JANUS 43-1804048	0	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
MILLIMAN, INC.	15 17 36 37 38 59 64 70	1851
(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.	
SCHWAB FUNDS 94-3106735	0	

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
MILLIMAN, INC.	15 17 36 37 38 59 64 70	8297
(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.	
SELECTED FUNDS 85-0360310	0	

(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 D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan 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
TDINDUSTRIES, INC. 401K/ESOP RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 004

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
TDINDUSTRIES, INC.

D Employer Identification Number (EIN)
26-0464612

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: GARTMORE MORLEY STABLE VALUE FUND

b Name of sponsor of entity listed in (a): GARTMORE TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
93-6274329-001	C	4008573

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

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

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

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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
TDINDUSTRIES, INC. 401K/ESOP RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 004

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

D Employer Identification Number (EIN)
26-0464612

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	150210	315423
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	4107084	1557089
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(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)	5396360	6112092
(9) Value of interest in common/collective trusts	1c(9)	4132769	4008573
(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)	20089474	31223566
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	42938065	46471902
(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	76813962	89688645
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	129959	203059
k Total liabilities (add all amounts in lines 1g through1j)	1k	129959	203059
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	76684003	89485586

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)	792990	
(B) Participants	2a(1)(B)	5214137	
(C) Others (including rollovers)	2a(1)(C)	203696	
(2) Noncash contributions	2a(2)	764099	
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		6974922
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)	402244	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		402244
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	5156330	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		5156330
(6) Net investment gain (loss) from common/collective trusts	2b(6)		86510
(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)		6917861
c Other income	2c		50649
d Total income. Add all **income** amounts in column (b) and enter total	2d		19588516
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	6680056	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)	1918	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		6681974
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		9679
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	95280	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		95280
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		6786933
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		12801583
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: WEAVER & TIDWELL (2) EIN: 75-0786316

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		10000000
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			
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)

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
TDINDUSTRIES, INC. 401K/ESOP RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 004

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

D Employer Identification Number (EIN)
26-0464612

Part I Distributions

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

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

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

EIN(s): 42-1558009

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

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

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN

FINANCIAL STATEMENTS AND SCHEDULES

DECEMBER 31, 2009 AND 2008
(WITH INDEPENDENT AUDITORS' REPORT THEREON)

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN

Table of Contents

	Page
Independent Auditor's Report	1
Statements of Net Assets Available for Benefits December 31, 2009 and 2008	2
Statements of Changes in Net Assets Available for Benefits Years ended December 31, 2009 and 2008	3
Notes to Financial Statements	4
Schedule *	
Schedule H, Line 4i – Schedule of Assets (Held at End of Year) December 31, 2009	13

* All other schedules required by 29 CFR Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereon.

weaver

INDEPENDENT AUDITOR'S REPORT

The Trustee Committee
TDIndustries, Inc. 401(k)/ESOP Retirement Plan
Dallas, Texas

We were engaged to audit the financial statements and supplemental schedule of the TDIndustries, Inc. 401(k)/ESOP Retirement Plan as of December 31, 2009 and 2008, and for the years then ended, as listed in the table of contents. These financial statements and schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulation 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 3, which was certified by Charles Schwab Trust Company, the trustee of the Plan, except for comparing information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certification from the trustee as of and for the years ended December 31, 2009 and 2008 that the information provided to the Plan Administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the 2009 and 2008 financial statements and schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
September 24, 2010

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN

Statements of Net Assets Available for Benefits

December 31, 2009 and 2008

Assets		2009	2008
Investments at fair value:			
Shares of registered investment companies:			
Dodge & Cox Balanced Fund	$	4,329,993	3,137,977
Schwab S&P 500 Fund		2,800,190	1,404,053
Selected American Shares, Inc.		5,516,261	3,808,367
American Funds Capital World G/I R4		3,653,635	2,421,465
Janus Growth & Income Fund		3,260,303	2,118,676
ING International Value A Fund		1,995,485	1,210,894
Federated Clover Small Cap Value A Fund		1,101,683	577,020
Dodge & Cox Income Fund		5,332,902	3,513,897
Calamos Growth A Fund		3,233,114	1,897,125
Shares of collective investment trust:			
Gartmore Morley Stable Value Fund		4,008,573	4,132,769
Investment in TDIndustries, Inc. common stock		46,471,902	42,938,065
Participant notes receivable at unpaid principal balance which approximates fair value		6,112,092	5,396,360
Total investments		87,816,133	72,556,668
Cash (non-interest bearing)		315,423	150,210
Employer's contribution receivable		1,557,089	4,107,084
Total assets		89,688,645	76,813,962
Liabilities			
Benefit claims payable		—	—
Investment trade payable – TDIndustries, Inc.		203,059	129,959
Total liabilities		203,059	129,959
Net assets available for benefits	$	89,485,586	76,684,003

See accompanying notes to financial statements.

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN

Statements of Changes in Net Assets Available for Benefits

Years ended December 31, 2009 and 2008

	2009	2008
Additions to net assets attributed to:		
Net investment income:		
Dividend and interest income	$ 402,244	521,532
Net appreciation (depreciation) in fair value of investments	12,211,350	(4,426,216)
	12,613,594	(3,904,684)
Contributions from:		
Participating employees	5,417,833	5,438,390
Participating employer	1,557,089	4,107,084
	6,974,922	9,545,474
Total additions	19,588,516	5,640,790
Deductions from net assets attributed to:		
Distributions to participating employees	6,691,653	5,129,895
Administrative fees paid by participating employees	95,280	75,684
Net increase	12,801,583	435,211
Net assets available for benefits, beginning of year	76,684,003	76,248,792
Net assets available for benefits, end of year	$ 89,485,586	76,684,003

See accompanying notes to financial statements.

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN

Notes to Financial Statements

(1) Description of Plan

The following description of TDIndustries, Inc. 401(k)/ESOP Retirement Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

(a) General

The TDIndustries, Inc. 401(k) Savings Plan and Trust (401(k) Plan) was established on September 1, 1989 and was a defined contribution profit sharing plan sponsored by TDIndustries, Inc. (Company). Effective January 1, 1998, the 401(k) Plan was amended and restated to allow for the merger of the TDIndustries, Inc. Employee Stock Ownership Plan and Trust (ESOP) into the 401(k) Plan. The plan was renamed the TDIndustries, Inc. 401(k)/ESOP Retirement Plan (the Plan). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

(b) Plan Administration

The Company, assisted by an appointed Plan Committee, is the plan administrator. The Plan's investments are held in an investment trust maintained by Charles Schwab Trust Company (the Trustee) under a trust agreement. The Trustee is responsible for the administration, management, and, subject to participant direction of investment, the investment of the trust funds. The Trustee maintains the records of the Plan on a calendar-year basis (the Plan Year).

(c) Eligibility

Full-time employees become eligible for participation in the Plan on any entrance date (January 1, April 1, July 1 or October 1) on or after completing three months of service with the Company. Participating employees may contribute 1% through 10% of their annual before tax compensation to their individual ESOP savings accounts and 1% through 100% of their annual before tax compensation to their individual 401(k) savings accounts. Such contributions are made through payroll deductions.

Effective January 1, 1994, the Company's board of directors established certain nonqualified ESOP and 401(k) plans (the Excess Plans) for certain employees. These nonqualified plans are not subject to the provisions of ERISA and their financial activities are not covered by this report.

(d) Contributions

Company contributions (which may be in cash or other property) made to the Plan are totally discretionary and established by the Company's Board of Directors on an annual basis. For 2009 and 2008, the Board established the Company's contribution to the Plan to be 30% (one-half of the Company contributions are allocated to the 401(k) portions of the Plan and one-half of the Company contributions are allocated to the ESOP portions of the Plan) of the Company's income before federal income tax and before computation of the Company's Plan and Excess Plans contributions.

The 2009 Company contributions of $1,557,089 to the Plan were paid in 2010. The 2008 Company contributions of $4,107,084 to the Plan were paid in 2009.

The 2009 and 2008 maximum annual amounts an employee could invest in the Plan were $16,500 and $15,500, respectively, (this amount is prescribed by law and is subject to change on an annual basis). Effective January 1, 2002, the Plan was amended so that the total yearly allocation to an employee's accounts (the funds contributed by the employee and the Company in the Plan) could not exceed 100% of the employee's total compensation or $44,000, whichever is lower. The Company must further limit contributions based on the discrimination tests of Section 401(k) and 401(m) of the Internal Revenue Code of 1986. Contributions for 2009 and 2008 did not exceed the maximum amounts allowed by law for the Plan.

(e) Participants' Accounts

Each of the participant's accounts (401(k) and ESOP savings accounts) are credited with the participant's contributions and allocations of the Company's respective contributions and related Plan earnings. Company contributions are allocated among the participants in the proportion that each participant's contributions to the 401(k) and ESOP portions of the Plan for that year bear to the total contribution of all participants to the 401(k) and ESOP portions of the Plan for that same year. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

Participant 401(k) savings accounts are valued daily to reflect income earned. Plan participants are fully vested at all times in the Plan investments purchased with their own contributions and in investments allocated to their account from contributions by the Company after completion of three years of service (as defined in the Plan). Also, all Plan participants who leave the Company because of normal retirement (at or after 65), death, or disability will be fully vested in investments allocated to their account from Company contributions (even if they have not completed three years of service).

(f) Investment Options

With respect to the participant's 401(k) savings account contributions, Company 401(k) matching contributions and rollover contributions, the Plan makes available an assortment of investment funds to meet the various savings and investment goals of all participants. These investment options have a variety of risks and return characteristics. Participants determine how these contributions are invested by allocating such contributions to one investment fund or by dividing them (in whole percentages) among any combination of the available funds. The following funds were available to participants during 2009:

- **Gartmore Morley Stable Value Fund** – Seeks to provide a consistent rate of return while preserving capital and minimizing risk. The fund consists of assets whose principal value remains stable regardless of stock and bond market fluctuations.
- **Dodge & Cox Income Fund** – Seeks total return consistent with prudent investment management. The fund invests in fixed-income securities.
- **Dodge & Cox Balanced Fund** – Seeks income, conservation of principal, and long-term growth of principal and income. The fund may invest a large portion of its assets in common stocks and convertible securities.
- **Schwab S&P 500 Fund – Select Shares** – Seeks income and capital appreciation. The fund normally invests at least 80% of assets in income-producing equity securities that have demonstrated a yield higher than the composite yield on the stocks in the S&P 500 index.

- **Selected American Shares, Inc.** – Seeks capital appreciation by investing primarily in equity securities of companies with earnings that are expected to grow at an above-average rate.
- **American Funds Capital World G/I R4** – Invests primarily in stocks and debt securities of companies and governments outside the United States.
- **Calamos Growth A Fund** – Seeks rapid capital growth primarily investing in small to medium-sized companies that are expected to demonstrate growth in earnings and revenue.
- **Janus Growth & Income Fund** – Seeks maximum capital growth. The fund invests primarily in common stocks and favors securities of companies expected to benefit from special factors and trends.
- **Federated Clover Small Cap Value Fund A** – Seeks capital growth by investing primarily in common stocks of small-sized, under-valued companies with steady earnings growth, solid market positions and reasonable financial strength.
- **ING International Value A Fund** – Seeks long-term capital growth. The fund invests primarily in stocks and debt securities of companies and governments outside the United States.

The Charles Schwab Trust Company is the trustee of the Plan.

The investment changes to the 401(k) plan are made through the internet or telephone hotline of the plan administrator. Participants may elect to change their investment mix on existing investments at any time; participants may also elect to change their investment mix on future contributions at any time. Any change to the investment mix of existing investments may take up to five business days to be initiated and several more business days to settle. Any investment mix changes regarding future contributions will be effective when contributions are next processed by the plan administrator. Participants may elect to change their contribution-deferred percentage at any time. In accordance with Dept. of Labor Reg. 2550.404(c)1(b)(2), the Plan is intended to qualify as an ERISA 401(c) plan which relieves plan fiduciaries of liability for any investment losses that result from investment decisions made by Plan participants.

Participants' ESOP savings account contributions and the Company ESOP matching contributions are invested in Company common stock at the value as determined as of the most recent valuation date (notes 2 and 4). The participants have full voting rights with respect to any stock allocated to their ESOP savings accounts. The Company has historically not paid any cash dividends.

(g) Participant Notes Receivable

Participants may borrow from their Plan accounts, a minimum of $500 up to a maximum equal to the lesser of $50,000 or 50% of their individual savings account balances. Loan transactions are treated as a transfer to (from) investment funds from (to) participant notes receivable. Loan terms range from one to five years or up to fifteen years for the purchase of a primary residence. The loans are secured by the balance in the participant's accounts and bear interest at a rate commensurate with local prevailing rates as determined quarterly by the 401(k)/ESOP Plan Committee. Interest rates are generally prime plus 1% and range from 4.25% to 10.5% as of December 31, 2009 and 2008. Principal and interest on participant loans are paid ratably through weekly payroll deductions. The range of current loan maturities extends through 2024.

(h) Payment of Benefits

A participant's 401(k) accounts shall be distributed in a lump sum in cash as soon as practicable following separation from service. If the participant separates from service after his normal retirement date under the Plan, or by reason of his death or disability, any distribution from his ESOP accounts will be deferred for no more than one year after the close of the year in which such event occurs. If the participant separates from service for any reason other than retirement, death or disability, any distribution from his ESOP accounts will be deferred for no more than one year after the close of the fifth year following the year in which the participant separated from service; provided that the participant is not reemployed by the Company at the time of distribution.

Upon distribution from the Plan, when the participant exercises the put option, if ESOP participants present (put) their ESOP stock to the Company within 60 days of receiving it, the Company is required to buy it immediately at the value of the stock as determined by the most recent valuation. Upon distribution from the Plan, when the participant exercises the put option, the Company may issue the participants an interest-bearing promissory note which is payable over a five-year period or buy the shares in cash. If ESOP participants do not put their ESOP stock to the Company within 60 days of receiving it, they are required to contact the ESOP administrator about the Company's obligation to purchase their ESOP stock at a later date.

Distributions from the Plan to participants are taxed as ordinary income to the participants in the year of distribution. Depending on when and why the distribution took place, the Plan participants may also be subject to an additional 10% income tax penalty (for early withdrawal of Plan funds). Under certain circumstances, participants who receive a Plan distribution may transfer all or part of this distribution to another tax-deferred type plan and defer the payment of income taxes.

(i) Forfeited Accounts

Forfeitures (totaling $115,003 and $62,157 in 2009 and 2008, respectively) of non-vested Plan participants who received a Company contribution are allocated among the accounts of the Plan participants who are eligible to receive Company contributions for such year in proportion to what they invest in the Plan during the year as compared to what all eligible people invested in the Plan during the same year.

(j) Vesting

Participants are immediately vested in their own contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of service. A participant becomes 33% vested after one year of service, 66% after two years of service, and 100% after three years of service. However, if an active participant dies prior to attaining the normal retirement age, the participant's account becomes 100% vested.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

(b) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for plan benefits at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

(c) Valuation of Investments and Income Recognition

Investment transactions for the investments in shares of registered investment companies, short term cash equivalents, fixed income funds, and equity funds are recorded on a trade-date basis and stated at fair value based on quoted market prices. The collective investment trust is recorded at fair value based on the proportionate units of the underlying assets of the fund. There is no established public trading market for the common stock of the Company. The Company common stock is recorded at fair value as determined by annual independent appraisals (the most recent appraisal was done as of December 31, 2009). Participant notes receivable are stated at unpaid principal balance which approximates fair value.

(d) Plan Termination

While it has no present intention to do so, the Company has the right under the Plan to discontinue contributions and terminate the Plan at any time. Upon termination of the Plan, all participants would become fully vested.

(e) Other Additions and Deductions

All administration expenses incurred by the Plan other than those recorded as an expense and paid by participants are paid for by the Company and are not charged to the Plan.

(f) Subsequent Events

In May 2009, the FASB issued new guidance for accounting for subsequent events. The new guidance establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before financial statements are available to be issued. The implementation of this guidance did not impact the Plan's financial position or results of operations. The Plan evaluated all events and transactions that occurred after December 31, 2009 through September 24, 2010, the date these financial statements were available to be issued, noting no material recognizable subsequent events.

(g) New Accounting Pronouncement

In June 2009, the FASB issued new guidance which created the FASB Accounting Standards Codification, which includes a hierarchy of generally accepted accounting principles. The FASB Accounting Standards Codification (Codification) has become the source for authoritative U.S. generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. On the effective date of this standard, the Codification superseded all then-existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification became non-authoritative. The provisions of the Codification became effective for the Plan for the year ended December 31, 2009. Implementation of this standard did not impact the financial statements or the results of operations.

(3) Assets Certified by Trustee

Except for its investment in TDIndustries, Inc. common stock, the Plan's investments as of December 31, 2009 and 2008 are held by the Trustee, the Charles Schwab Trust Company (Schwab). Investments that represent 5% or more of the Plan's assets are presented separately below.

	December 31, 2009		December 31, 2008	
	Units or shares	Fair value	Units or shares	Fair value
Selected American Shares, Inc.	147,968	$ 5,516,261	133,440	$ 3,808,367
Dodge & Cox Income Fund	411,489	5,332,902	298,040	3,513,897
Gartmore Morley Stable Value Fund	180,374	4,008,573	189,945	4,132,769
Participant Loans	N/A	6,112,092	N/A	5,396,360
Other investments in registered investment companies		20,374,403		12,767,210
Total		$ 41,344,231		$ 29,618,603

In addition, non-interest bearing deposits of $315,423 and $150,210 at December 31, 2009 and 2008, respectively, were certified by Schwab.

Net appreciation in fair value of investments in registered investment companies for the year ended December 31, 2009 is $7,055,020. Net depreciation in fair value of investments in registered investment companies for the year ended December 31, 2008 was $10,678,669.

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

(4) TDIndustries, Inc. Common Stock

At December 31, 2009 and 2008, the Plan held 413,304 and 427,372 shares of common stock in TDIndustries, Inc., respectively. The appraised value of the TDIndustries, Inc. common stock at December 31, 2009 and 2008 was $112.44 and $100.47 per share, respectively.

Net appreciation in fair value of investments in TDIndustries, Inc. common stock is $5,156,330 and $6,252,453 for the years ended December 31, 2009 and 2008, respectively.

The fair value of the Plan's investment in TDIndustries, Inc. common stock was $46,471,902 and $42,938,065 at December 31, 2009 and 2008, respectively and represented more than 5% of net assets available for benefits.

(5) Income Tax Status

The Plan received a favorable determination letter from the Internal Revenue Service (IRS) dated January 24, 2003. The Plan management believes that the Plan and related trust is currently designed and

being operated in compliance with the applicable requirements of the Internal Revenue Code (IRC). Therefore, no provision for income taxes has been included in the Plan's financial statements.

The Plan was amended to incorporate GUST legislative changes, which was effective for the plan year ended December 31, 2002. GUST refers to the following legislation: GATT (General Agreement on Tariffs and Trade); USERRA (Uniformed Services Employment & Reemployment Rights Act of 1994); SBJPA (Small Business Job Protection Act of 1996); and TRA '97 (Taxpayer Relief Act of 1997).

(6) Related-Party Transactions

Plan assets include investments in funds managed by Schwab in 2009 and 2008, respectively. Schwab is the Plan's trustee and as such, transactions with the trustee qualify as party-in-interest transactions. Personnel and facilities of the Company have been used to perform administrative functions for the Plan at no charge to the Plan.

(7) Fair Value Measurements

Codification topic 820, Fair Value Measurements, 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 are described below:

- Level 1 – Valuations are based upon unadjusted quoted prices in active exchange markets involving identical assets and liabilities.

- Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar instruments in active markets; quoted prices and valuations for identical or similar instruments in markets that are not active; and model-based valuation techniques with significant assumptions and inputs that are observable in the market or can be derived principally from or corroborated by observable market data.

- Level 3 – Valuations are derived from model-based techniques that use inputs and significant assumptions that are supported by little or no observable market data. Valuation techniques include the use of pricing models, discounted cash flow models and similar methodologies.

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.

Mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.
Collective investment trust: Valued at the cumulative net asset value of the trust as of the reporting date.
Participant loans: Valued at amortized cost, which approximates fair value.
TDIndustries, Inc. common stock: Valued at third party appraised 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:

	Assets at Fair Value as of December 31, 2009			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds	$31,223,566			$31,223,566
Collective investment trust		$ 4,008,573		4,008,573
Participant loans			$ 6,112,092	6,112,092
TDIndustries, Inc. common stock			46,471,902	46,471,902
	$31,223,566	$ 4,008,573	$52,583,994	$87,816,133

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

	Assets at Fair Value as of December 31, 2008			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds	$20,089,474			$20,089,474
Collective investment trust		$ 4,132,769		4,132,769
Participant loans			$ 5,396,360	5,396,360
TDIndustries, Inc. common stock			42,938,065	42,938,065
	$20,089,474	$ 4,132,769	$48,334,425	$72,556,668

Level 3 Activity:

	Level 3 Assets Year Ended December 31, 2009	
	Participant Loans	**TDIndustries, Inc. common stock**
Balance, beginning of year	$ 5,396,360	$ 42,938,065
Realized gains/(losses)		
Unrealized gains/(losses) relating to instruments still held at the reporting date		5,156,330
Purchases, sales, issuances and settlements, net	715,732	(1,622,493)
Balance, end of year	$ 6,112,092	$ 46,471,902

	Level 3 Assets Year Ended December 31, 2008	
	Participant Loans	**TDIndustries, Inc. common stock**
Balance, beginning of year	$ 5,113,575	$ 35,318,610
Realized gains/(losses)		
Unrealized gains/(losses) relating to instruments still held at the reporting date		6,252,453
Purchases, sales, issuances and settlements, net	282,785	1,367,002
Balance, end of year	$ 5,396,360	$ 42,938,065

The valuation methods used to value the Plan's investments were used consistently during 2009. Unrealized gain on TDIndustries, Inc. common stock is included in net appreciation (depreciation) on fair value of investments in the accompanying statements of changes in net assets available for benefits.

SUPPLEMENTAL SCHEDULE

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN

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

EIN: 26-0464612 Plan - 004

December 31, 2009

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment	(d) Cost	(e) Current value
	Collective Investment Trust	Gartmore Morley Stable Value Fund 180,374 shares	(1)	$ 4,008,573
	Mutual Fund	Dodge & Cox Balanced 67,624 shares	(1)	4,329,993
*	Mutual Fund	Schwab S&P 500 Fund 161,487 shares	(1)	2,800,190
	Mutual Fund	Selected American Shares, Inc. 147,968 shares	(1)	5,516,261
	Mutual Fund	American Funds Capital World G/I R4 107,397 shares	(1)	3,653,635
	Mutual Fund	Janus Growth & Income Fund 114,598 shares	(1)	3,260,303
	Mutual Fund	ING International Value A Fund 173,823 shares	(1)	1,995,485
	Mutual Fund	Federated Clover Small Cap Value Fund A 67,053 shares	(1)	1,101,683
	Mutual Fund	Dodge & Cox Income Fund 411,489 shares	(1)	5,332,902
	Mutual Fund	Calamos Growth A Fund 72,720 shares	(1)	3,233,114
*	TDIndustries, Inc.	Investment in TDIndustries, Inc. (413,304 shares of common stock with a cost basis of $14,725,430) (1)	(1)	46,471,902
				81,704,041
*	Participant notes receivable	Interest rates range from 4.25% to 10.5%; maturity at various dates from 2009 to 2023	-	6,112,092
	Total investments			$ 87,816,133

* Party-in-interest.

(1) Cost basis information provided as transactions are not participant directed. Historical cost information for other investments has not been provided because these investments are participant directed.

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN

FINANCIAL STATEMENTS AND SCHEDULES

DECEMBER 31, 2009 AND 2008
(WITH INDEPENDENT AUDITORS' REPORT THEREON)

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN

Table of Contents

	Page
Independent Auditor's Report	1
Statements of Net Assets Available for Benefits December 31, 2009 and 2008	2
Statements of Changes in Net Assets Available for Benefits Years ended December 31, 2009 and 2008	3
Notes to Financial Statements	4
Schedule *	
Schedule H, Line 4i – Schedule of Assets (Held at End of Year) December 31, 2009	13

* All other schedules required by 29 CFR Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereon.

weaver

INDEPENDENT AUDITOR'S REPORT

The Trustee Committee
TDIndustries, Inc. 401(k)/ESOP Retirement Plan
Dallas, Texas

We were engaged to audit the financial statements and supplemental schedule of the TDIndustries, Inc. 401(k)/ESOP Retirement Plan as of December 31, 2009 and 2008, and for the years then ended, as listed in the table of contents. These financial statements and schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulation 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 3, which was certified by Charles Schwab Trust Company, the trustee of the Plan, except for comparing information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certification from the trustee as of and for the years ended December 31, 2009 and 2008 that the information provided to the Plan Administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the 2009 and 2008 financial statements and schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
September 24, 2010

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN

Statements of Net Assets Available for Benefits

December 31, 2009 and 2008

Assets		2009	2008
Investments at fair value:			
Shares of registered investment companies:			
Dodge & Cox Balanced Fund	$	4,329,993	3,137,977
Schwab S&P 500 Fund		2,800,190	1,404,053
Selected American Shares, Inc.		5,516,261	3,808,367
American Funds Capital World G/I R4		3,653,635	2,421,465
Janus Growth & Income Fund		3,260,303	2,118,676
ING International Value A Fund		1,995,485	1,210,894
Federated Clover Small Cap Value A Fund		1,101,683	577,020
Dodge & Cox Income Fund		5,332,902	3,513,897
Calamos Growth A Fund		3,233,114	1,897,125
Shares of collective investment trust:			
Gartmore Morley Stable Value Fund		4,008,573	4,132,769
Investment in TDIndustries, Inc. common stock		46,471,902	42,938,065
Participant notes receivable at unpaid principal balance which approximates fair value		6,112,092	5,396,360
Total investments		87,816,133	72,556,668
Cash (non-interest bearing)		315,423	150,210
Employer's contribution receivable		1,557,089	4,107,084
Total assets		89,688,645	76,813,962
Liabilities			
Benefit claims payable		—	—
Investment trade payable – TDIndustries, Inc.		203,059	129,959
Total liabilities		203,059	129,959
Net assets available for benefits	$	89,485,586	76,684,003

See accompanying notes to financial statements.

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN

Statements of Changes in Net Assets Available for Benefits

Years ended December 31, 2009 and 2008

	2009	2008
Additions to net assets attributed to:		
Net investment income:		
Dividend and interest income	$ 402,244	521,532
Net appreciation (depreciation) in fair value of investments	12,211,350	(4,426,216)
	12,613,594	(3,904,684)
Contributions from:		
Participating employees	5,417,833	5,438,390
Participating employer	1,557,089	4,107,084
	6,974,922	9,545,474
Total additions	19,588,516	5,640,790
Deductions from net assets attributed to:		
Distributions to participating employees	6,691,653	5,129,895
Administrative fees paid by participating employees	95,280	75,684
Net increase	12,801,583	435,211
Net assets available for benefits, beginning of year	76,684,003	76,248,792
Net assets available for benefits, end of year	$ 89,485,586	76,684,003

See accompanying notes to financial statements.

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN

Notes to Financial Statements

(1) Description of Plan

The following description of TDIndustries, Inc. 401(k)/ESOP Retirement Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

(a) General

The TDIndustries, Inc. 401(k) Savings Plan and Trust (401(k) Plan) was established on September 1, 1989 and was a defined contribution profit sharing plan sponsored by TDIndustries, Inc. (Company). Effective January 1, 1998, the 401(k) Plan was amended and restated to allow for the merger of the TDIndustries, Inc. Employee Stock Ownership Plan and Trust (ESOP) into the 401(k) Plan. The plan was renamed the TDIndustries, Inc. 401(k)/ESOP Retirement Plan (the Plan). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

(b) Plan Administration

The Company, assisted by an appointed Plan Committee, is the plan administrator. The Plan's investments are held in an investment trust maintained by Charles Schwab Trust Company (the Trustee) under a trust agreement. The Trustee is responsible for the administration, management, and, subject to participant direction of investment, the investment of the trust funds. The Trustee maintains the records of the Plan on a calendar-year basis (the Plan Year).

(c) Eligibility

Full-time employees become eligible for participation in the Plan on any entrance date (January 1, April 1, July 1 or October 1) on or after completing three months of service with the Company. Participating employees may contribute 1% through 10% of their annual before tax compensation to their individual ESOP savings accounts and 1% through 100% of their annual before tax compensation to their individual 401(k) savings accounts. Such contributions are made through payroll deductions.

Effective January 1, 1994, the Company's board of directors established certain nonqualified ESOP and 401(k) plans (the Excess Plans) for certain employees. These nonqualified plans are not subject to the provisions of ERISA and their financial activities are not covered by this report.

(d) Contributions

Company contributions (which may be in cash or other property) made to the Plan are totally discretionary and established by the Company's Board of Directors on an annual basis. For 2009 and 2008, the Board established the Company's contribution to the Plan to be 30% (one-half of the Company contributions are allocated to the 401(k) portions of the Plan and one-half of the Company contributions are allocated to the ESOP portions of the Plan) of the Company's income before federal income tax and before computation of the Company's Plan and Excess Plans contributions.

The 2009 Company contributions of $1,557,089 to the Plan were paid in 2010. The 2008 Company contributions of $4,107,084 to the Plan were paid in 2009.

The 2009 and 2008 maximum annual amounts an employee could invest in the Plan were $16,500 and $15,500, respectively, (this amount is prescribed by law and is subject to change on an annual basis). Effective January 1, 2002, the Plan was amended so that the total yearly allocation to an employee's accounts (the funds contributed by the employee and the Company in the Plan) could not exceed 100% of the employee's total compensation or $44,000, whichever is lower. The Company must further limit contributions based on the discrimination tests of Section 401(k) and 401(m) of the Internal Revenue Code of 1986. Contributions for 2009 and 2008 did not exceed the maximum amounts allowed by law for the Plan.

(e) Participants' Accounts

Each of the participant's accounts (401(k) and ESOP savings accounts) are credited with the participant's contributions and allocations of the Company's respective contributions and related Plan earnings. Company contributions are allocated among the participants in the proportion that each participant's contributions to the 401(k) and ESOP portions of the Plan for that year bear to the total contribution of all participants to the 401(k) and ESOP portions of the Plan for that same year. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

Participant 401(k) savings accounts are valued daily to reflect income earned. Plan participants are fully vested at all times in the Plan investments purchased with their own contributions and in investments allocated to their account from contributions by the Company after completion of three years of service (as defined in the Plan). Also, all Plan participants who leave the Company because of normal retirement (at or after 65), death, or disability will be fully vested in investments allocated to their account from Company contributions (even if they have not completed three years of service).

(f) Investment Options

With respect to the participant's 401(k) savings account contributions, Company 401(k) matching contributions and rollover contributions, the Plan makes available an assortment of investment funds to meet the various savings and investment goals of all participants. These investment options have a variety of risks and return characteristics. Participants determine how these contributions are invested by allocating such contributions to one investment fund or by dividing them (in whole percentages) among any combination of the available funds. The following funds were available to participants during 2009:

- **Gartmore Morley Stable Value Fund** – Seeks to provide a consistent rate of return while preserving capital and minimizing risk. The fund consists of assets whose principal value remains stable regardless of stock and bond market fluctuations.
- **Dodge & Cox Income Fund** – Seeks total return consistent with prudent investment management. The fund invests in fixed-income securities.
- **Dodge & Cox Balanced Fund** – Seeks income, conservation of principal, and long-term growth of principal and income. The fund may invest a large portion of its assets in common stocks and convertible securities.
- **Schwab S&P 500 Fund – Select Shares** – Seeks income and capital appreciation. The fund normally invests at least 80% of assets in income-producing equity securities that have demonstrated a yield higher than the composite yield on the stocks in the S&P 500 index.

- **Selected American Shares, Inc.** – Seeks capital appreciation by investing primarily in equity securities of companies with earnings that are expected to grow at an above-average rate.
- **American Funds Capital World G/I R4** – Invests primarily in stocks and debt securities of companies and governments outside the United States.
- **Calamos Growth A Fund** – Seeks rapid capital growth primarily investing in small to medium-sized companies that are expected to demonstrate growth in earnings and revenue.
- **Janus Growth & Income Fund** – Seeks maximum capital growth. The fund invests primarily in common stocks and favors securities of companies expected to benefit from special factors and trends.
- **Federated Clover Small Cap Value Fund A** – Seeks capital growth by investing primarily in common stocks of small-sized, under-valued companies with steady earnings growth, solid market positions and reasonable financial strength.
- **ING International Value A Fund** – Seeks long-term capital growth. The fund invests primarily in stocks and debt securities of companies and governments outside the United States.

The Charles Schwab Trust Company is the trustee of the Plan.

The investment changes to the 401(k) plan are made through the internet or telephone hotline of the plan administrator. Participants may elect to change their investment mix on existing investments at any time; participants may also elect to change their investment mix on future contributions at any time. Any change to the investment mix of existing investments may take up to five business days to be initiated and several more business days to settle. Any investment mix changes regarding future contributions will be effective when contributions are next processed by the plan administrator. Participants may elect to change their contribution-deferred percentage at any time. In accordance with Dept. of Labor Reg. 2550.404(c)1(b)(2), the Plan is intended to qualify as an ERISA 401(c) plan which relieves plan fiduciaries of liability for any investment losses that result from investment decisions made by Plan participants.

Participants' ESOP savings account contributions and the Company ESOP matching contributions are invested in Company common stock at the value as determined as of the most recent valuation date (notes 2 and 4). The participants have full voting rights with respect to any stock allocated to their ESOP savings accounts. The Company has historically not paid any cash dividends.

(g) Participant Notes Receivable

Participants may borrow from their Plan accounts, a minimum of $500 up to a maximum equal to the lesser of $50,000 or 50% of their individual savings account balances. Loan transactions are treated as a transfer to (from) investment funds from (to) participant notes receivable. Loan terms range from one to five years or up to fifteen years for the purchase of a primary residence. The loans are secured by the balance in the participant's accounts and bear interest at a rate commensurate with local prevailing rates as determined quarterly by the 401(k)/ESOP Plan Committee. Interest rates are generally prime plus 1% and range from 4.25% to 10.5% as of December 31, 2009 and 2008. Principal and interest on participant loans are paid ratably through weekly payroll deductions. The range of current loan maturities extends through 2024.

(h) Payment of Benefits

A participant's 401(k) accounts shall be distributed in a lump sum in cash as soon as practicable following separation from service. If the participant separates from service after his normal retirement date under the Plan, or by reason of his death or disability, any distribution from his ESOP accounts will be deferred for no more than one year after the close of the year in which such event occurs. If the participant separates from service for any reason other than retirement, death or disability, any distribution from his ESOP accounts will be deferred for no more than one year after the close of the fifth year following the year in which the participant separated from service; provided that the participant is not reemployed by the Company at the time of distribution.

Upon distribution from the Plan, when the participant exercises the put option, if ESOP participants present (put) their ESOP stock to the Company within 60 days of receiving it, the Company is required to buy it immediately at the value of the stock as determined by the most recent valuation. Upon distribution from the Plan, when the participant exercises the put option, the Company may issue the participants an interest-bearing promissory note which is payable over a five-year period or buy the shares in cash. If ESOP participants do not put their ESOP stock to the Company within 60 days of receiving it, they are required to contact the ESOP administrator about the Company's obligation to purchase their ESOP stock at a later date.

Distributions from the Plan to participants are taxed as ordinary income to the participants in the year of distribution. Depending on when and why the distribution took place, the Plan participants may also be subject to an additional 10% income tax penalty (for early withdrawal of Plan funds). Under certain circumstances, participants who receive a Plan distribution may transfer all or part of this distribution to another tax-deferred type plan and defer the payment of income taxes.

(i) Forfeited Accounts

Forfeitures (totaling $115,003 and $62,157 in 2009 and 2008, respectively) of non-vested Plan participants who received a Company contribution are allocated among the accounts of the Plan participants who are eligible to receive Company contributions for such year in proportion to what they invest in the Plan during the year as compared to what all eligible people invested in the Plan during the same year.

(j) Vesting

Participants are immediately vested in their own contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of service. A participant becomes 33% vested after one year of service, 66% after two years of service, and 100% after three years of service. However, if an active participant dies prior to attaining the normal retirement age, the participant's account becomes 100% vested.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

(b) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for plan benefits at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

(c) Valuation of Investments and Income Recognition

Investment transactions for the investments in shares of registered investment companies, short term cash equivalents, fixed income funds, and equity funds are recorded on a trade-date basis and stated at fair value based on quoted market prices. The collective investment trust is recorded at fair value based on the proportionate units of the underlying assets of the fund. There is no established public trading market for the common stock of the Company. The Company common stock is recorded at fair value as determined by annual independent appraisals (the most recent appraisal was done as of December 31, 2009). Participant notes receivable are stated at unpaid principal balance which approximates fair value.

(d) Plan Termination

While it has no present intention to do so, the Company has the right under the Plan to discontinue contributions and terminate the Plan at any time. Upon termination of the Plan, all participants would become fully vested.

(e) Other Additions and Deductions

All administration expenses incurred by the Plan other than those recorded as an expense and paid by participants are paid for by the Company and are not charged to the Plan.

(f) Subsequent Events

In May 2009, the FASB issued new guidance for accounting for subsequent events. The new guidance establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before financial statements are available to be issued. The implementation of this guidance did not impact the Plan's financial position or results of operations. The Plan evaluated all events and transactions that occurred after December 31, 2009 through September 24, 2010, the date these financial statements were available to be issued, noting no material recognizable subsequent events.

(g) New Accounting Pronouncement

In June 2009, the FASB issued new guidance which created the FASB Accounting Standards Codification, which includes a hierarchy of generally accepted accounting principles. The FASB Accounting Standards Codification (Codification) has become the source for authoritative U.S. generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. On the effective date of this standard, the Codification superseded all then-existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification became non-authoritative. The provisions of the Codification became effective for the Plan for the year ended December 31, 2009. Implementation of this standard did not impact the financial statements or the results of operations.

(3) Assets Certified by Trustee

Except for its investment in TDIndustries, Inc. common stock, the Plan's investments as of December 31, 2009 and 2008 are held by the Trustee, the Charles Schwab Trust Company (Schwab). Investments that represent 5% or more of the Plan's assets are presented separately below.

	December 31, 2009		December 31, 2008	
	Units or shares	Fair value	Units or shares	Fair value
Selected American Shares, Inc.	147,968	$ 5,516,261	133,440	$ 3,808,367
Dodge & Cox Income Fund	411,489	5,332,902	298,040	3,513,897
Gartmore Morley Stable Value Fund	180,374	4,008,573	189,945	4,132,769
Participant Loans	N/A	6,112,092	N/A	5,396,360
Other investments in registered investment companies		20,374,403		12,767,210
Total		$ 41,344,231		$ 29,618,603

In addition, non-interest bearing deposits of $315,423 and $150,210 at December 31, 2009 and 2008, respectively, were certified by Schwab.

Net appreciation in fair value of investments in registered investment companies for the year ended December 31, 2009 is $7,055,020. Net depreciation in fair value of investments in registered investment companies for the year ended December 31, 2008 was $10,678,669.

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

(4) TDIndustries, Inc. Common Stock

At December 31, 2009 and 2008, the Plan held 413,304 and 427,372 shares of common stock in TDIndustries, Inc., respectively. The appraised value of the TDIndustries, Inc. common stock at December 31, 2009 and 2008 was $112.44 and $100.47 per share, respectively.

Net appreciation in fair value of investments in TDIndustries, Inc. common stock is $5,156,330 and $6,252,453 for the years ended December 31, 2009 and 2008, respectively.

The fair value of the Plan's investment in TDIndustries, Inc. common stock was $46,471,902 and $42,938,065 at December 31, 2009 and 2008, respectively and represented more than 5% of net assets available for benefits.

(5) Income Tax Status

The Plan received a favorable determination letter from the Internal Revenue Service (IRS) dated January 24, 2003. The Plan management believes that the Plan and related trust is currently designed and

being operated in compliance with the applicable requirements of the Internal Revenue Code (IRC). Therefore, no provision for income taxes has been included in the Plan's financial statements.

The Plan was amended to incorporate GUST legislative changes, which was effective for the plan year ended December 31, 2002. GUST refers to the following legislation: GATT (General Agreement on Tariffs and Trade); USERRA (Uniformed Services Employment & Reemployment Rights Act of 1994); SBJPA (Small Business Job Protection Act of 1996); and TRA '97 (Taxpayer Relief Act of 1997).

(6) Related-Party Transactions

Plan assets include investments in funds managed by Schwab in 2009 and 2008, respectively. Schwab is the Plan's trustee and as such, transactions with the trustee qualify as party-in-interest transactions. Personnel and facilities of the Company have been used to perform administrative functions for the Plan at no charge to the Plan.

(7) Fair Value Measurements

Codification topic 820, Fair Value Measurements, 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 are described below:

- Level 1 – Valuations are based upon unadjusted quoted prices in active exchange markets involving identical assets and liabilities.

- Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar instruments in active markets; quoted prices and valuations for identical or similar instruments in markets that are not active; and model-based valuation techniques with significant assumptions and inputs that are observable in the market or can be derived principally from or corroborated by observable market data.

- Level 3 – Valuations are derived from model-based techniques that use inputs and significant assumptions that are supported by little or no observable market data. Valuation techniques include the use of pricing models, discounted cash flow models and similar methodologies.

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.

Mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.
Collective investment trust: Valued at the cumulative net asset value of the trust as of the reporting date.
Participant loans: Valued at amortized cost, which approximates fair value.
TDIndustries, Inc. common stock: Valued at third party appraised 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:

	Assets at Fair Value as of December 31, 2009			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds	$31,223,566			$31,223,566
Collective investment trust		$ 4,008,573		4,008,573
Participant loans			$ 6,112,092	6,112,092
TDIndustries, Inc. common stock			46,471,902	46,471,902
	$31,223,566	$ 4,008,573	$52,583,994	$87,816,133

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

	Assets at Fair Value as of December 31, 2008			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds	$20,089,474			$20,089,474
Collective investment trust		$ 4,132,769		4,132,769
Participant loans			$ 5,396,360	5,396,360
TDIndustries, Inc. common stock			42,938,065	42,938,065
	$20,089,474	$ 4,132,769	$48,334,425	$72,556,668

Level 3 Activity:

	Level 3 Assets Year Ended December 31, 2009	
	Participant Loans	**TDIndustries, Inc. common stock**
Balance, beginning of year	$ 5,396,360	$ 42,938,065
Realized gains/(losses)		
Unrealized gains/(losses) relating to instruments still held at the reporting date		5,156,330
Purchases, sales, issuances and settlements, net	715,732	(1,622,493)
Balance, end of year	$ 6,112,092	$ 46,471,902

	Level 3 Assets Year Ended December 31, 2008	
	Participant Loans	**TDIndustries, Inc. common stock**
Balance, beginning of year	$ 5,113,575	$ 35,318,610
Realized gains/(losses)		
Unrealized gains/(losses) relating to instruments still held at the reporting date		6,252,453
Purchases, sales, issuances and settlements, net	282,785	1,367,002
Balance, end of year	$ 5,396,360	$ 42,938,065

The valuation methods used to value the Plan's investments were used consistently during 2009. Unrealized gain on TDIndustries, Inc. common stock is included in net appreciation (depreciation) on fair value of investments in the accompanying statements of changes in net assets available for benefits.

SUPPLEMENTAL SCHEDULE

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN

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

EIN: 26-0464612 Plan - 004

December 31, 2009

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment	(d) Cost	(e) Current value
	Collective Investment Trust	Gartmore Morley Stable Value Fund 180,374 shares	(1)	$ 4,008,573
	Mutual Fund	Dodge & Cox Balanced 67,624 shares	(1)	4,329,993
*	Mutual Fund	Schwab S&P 500 Fund 161,487 shares	(1)	2,800,190
	Mutual Fund	Selected American Shares, Inc. 147,968 shares	(1)	5,516,261
	Mutual Fund	American Funds Capital World G/I R4 107,397 shares	(1)	3,653,635
	Mutual Fund	Janus Growth & Income Fund 114,598 shares	(1)	3,260,303
	Mutual Fund	ING International Value A Fund 173,823 shares	(1)	1,995,485
	Mutual Fund	Federated Clover Small Cap Value Fund A 67,053 shares	(1)	1,101,683
	Mutual Fund	Dodge & Cox Income Fund 411,489 shares	(1)	5,332,902
	Mutual Fund	Calamos Growth A Fund 72,720 shares	(1)	3,233,114
*	TDIndustries, Inc.	Investment in TDIndustries, Inc. (413,304 shares of common stock with a cost basis of $14,725,430) (1)	(1)	46,471,902
				81,704,041
*	Participant notes receivable	Interest rates range from 4.25% to 10.5%; maturity at various dates from 2009 to 2023	-	6,112,092
	Total investments			$ 87,816,133

* Party-in-interest.

(1) Cost basis information provided as transactions are not participant directed. Historical cost information for other investments has not been provided because these investments are participant directed.

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN

FINANCIAL STATEMENTS AND SCHEDULES

DECEMBER 31, 2009 AND 2008
(WITH INDEPENDENT AUDITORS' REPORT THEREON)

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN

Table of Contents

	Page
Independent Auditor's Report	1
Statements of Net Assets Available for Benefits December 31, 2009 and 2008	2
Statements of Changes in Net Assets Available for Benefits Years ended December 31, 2009 and 2008	3
Notes to Financial Statements	4
Schedule *	
Schedule H, Line 4i – Schedule of Assets (Held at End of Year) December 31, 2009	13

* All other schedules required by 29 CFR Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereon.

weaver

INDEPENDENT AUDITOR'S REPORT

The Trustee Committee
TDIndustries, Inc. 401(k)/ESOP Retirement Plan
Dallas, Texas

We were engaged to audit the financial statements and supplemental schedule of the TDIndustries, Inc. 401(k)/ESOP Retirement Plan as of December 31, 2009 and 2008, and for the years then ended, as listed in the table of contents. These financial statements and schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulation 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 3, which was certified by Charles Schwab Trust Company, the trustee of the Plan, except for comparing information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certification from the trustee as of and for the years ended December 31, 2009 and 2008 that the information provided to the Plan Administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the 2009 and 2008 financial statements and schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
September 24, 2010

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN

Statements of Net Assets Available for Benefits

December 31, 2009 and 2008

Assets		2009	2008
Investments at fair value:			
Shares of registered investment companies:			
Dodge & Cox Balanced Fund	$	4,329,993	3,137,977
Schwab S&P 500 Fund		2,800,190	1,404,053
Selected American Shares, Inc.		5,516,261	3,808,367
American Funds Capital World G/I R4		3,653,635	2,421,465
Janus Growth & Income Fund		3,260,303	2,118,676
ING International Value A Fund		1,995,485	1,210,894
Federated Clover Small Cap Value A Fund		1,101,683	577,020
Dodge & Cox Income Fund		5,332,902	3,513,897
Calamos Growth A Fund		3,233,114	1,897,125
Shares of collective investment trust:			
Gartmore Morley Stable Value Fund		4,008,573	4,132,769
Investment in TDIndustries, Inc. common stock		46,471,902	42,938,065
Participant notes receivable at unpaid principal balance which approximates fair value		6,112,092	5,396,360
Total investments		87,816,133	72,556,668
Cash (non-interest bearing)		315,423	150,210
Employer's contribution receivable		1,557,089	4,107,084
Total assets		89,688,645	76,813,962
Liabilities			
Benefit claims payable		—	—
Investment trade payable – TDIndustries, Inc.		203,059	129,959
Total liabilities		203,059	129,959
Net assets available for benefits	$	89,485,586	76,684,003

See accompanying notes to financial statements.

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN

Statements of Changes in Net Assets Available for Benefits

Years ended December 31, 2009 and 2008

	2009	2008
Additions to net assets attributed to:		
Net investment income:		
Dividend and interest income	$ 402,244	521,532
Net appreciation (depreciation) in fair value of investments	12,211,350	(4,426,216)
	12,613,594	(3,904,684)
Contributions from:		
Participating employees	5,417,833	5,438,390
Participating employer	1,557,089	4,107,084
	6,974,922	9,545,474
Total additions	19,588,516	5,640,790
Deductions from net assets attributed to:		
Distributions to participating employees	6,691,653	5,129,895
Administrative fees paid by participating employees	95,280	75,684
Net increase	12,801,583	435,211
Net assets available for benefits, beginning of year	76,684,003	76,248,792
Net assets available for benefits, end of year	$ 89,485,586	76,684,003

See accompanying notes to financial statements.

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN

Notes to Financial Statements

(1) Description of Plan

The following description of TDIndustries, Inc. 401(k)/ESOP Retirement Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

(a) General

The TDIndustries, Inc. 401(k) Savings Plan and Trust (401(k) Plan) was established on September 1, 1989 and was a defined contribution profit sharing plan sponsored by TDIndustries, Inc. (Company). Effective January 1, 1998, the 401(k) Plan was amended and restated to allow for the merger of the TDIndustries, Inc. Employee Stock Ownership Plan and Trust (ESOP) into the 401(k) Plan. The plan was renamed the TDIndustries, Inc. 401(k)/ESOP Retirement Plan (the Plan). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

(b) Plan Administration

The Company, assisted by an appointed Plan Committee, is the plan administrator. The Plan's investments are held in an investment trust maintained by Charles Schwab Trust Company (the Trustee) under a trust agreement. The Trustee is responsible for the administration, management, and, subject to participant direction of investment, the investment of the trust funds. The Trustee maintains the records of the Plan on a calendar-year basis (the Plan Year).

(c) Eligibility

Full-time employees become eligible for participation in the Plan on any entrance date (January 1, April 1, July 1 or October 1) on or after completing three months of service with the Company. Participating employees may contribute 1% through 10% of their annual before tax compensation to their individual ESOP savings accounts and 1% through 100% of their annual before tax compensation to their individual 401(k) savings accounts. Such contributions are made through payroll deductions.

Effective January 1, 1994, the Company's board of directors established certain nonqualified ESOP and 401(k) plans (the Excess Plans) for certain employees. These nonqualified plans are not subject to the provisions of ERISA and their financial activities are not covered by this report.

(d) Contributions

Company contributions (which may be in cash or other property) made to the Plan are totally discretionary and established by the Company's Board of Directors on an annual basis. For 2009 and 2008, the Board established the Company's contribution to the Plan to be 30% (one-half of the Company contributions are allocated to the 401(k) portions of the Plan and one-half of the Company contributions are allocated to the ESOP portions of the Plan) of the Company's income before federal income tax and before computation of the Company's Plan and Excess Plans contributions.

The 2009 Company contributions of $1,557,089 to the Plan were paid in 2010. The 2008 Company contributions of $4,107,084 to the Plan were paid in 2009.

The 2009 and 2008 maximum annual amounts an employee could invest in the Plan were $16,500 and $15,500, respectively, (this amount is prescribed by law and is subject to change on an annual basis). Effective January 1, 2002, the Plan was amended so that the total yearly allocation to an employee's accounts (the funds contributed by the employee and the Company in the Plan) could not exceed 100% of the employee's total compensation or $44,000, whichever is lower. The Company must further limit contributions based on the discrimination tests of Section 401(k) and 401(m) of the Internal Revenue Code of 1986. Contributions for 2009 and 2008 did not exceed the maximum amounts allowed by law for the Plan.

(e) Participants' Accounts

Each of the participant's accounts (401(k) and ESOP savings accounts) are credited with the participant's contributions and allocations of the Company's respective contributions and related Plan earnings. Company contributions are allocated among the participants in the proportion that each participant's contributions to the 401(k) and ESOP portions of the Plan for that year bear to the total contribution of all participants to the 401(k) and ESOP portions of the Plan for that same year. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

Participant 401(k) savings accounts are valued daily to reflect income earned. Plan participants are fully vested at all times in the Plan investments purchased with their own contributions and in investments allocated to their account from contributions by the Company after completion of three years of service (as defined in the Plan). Also, all Plan participants who leave the Company because of normal retirement (at or after 65), death, or disability will be fully vested in investments allocated to their account from Company contributions (even if they have not completed three years of service).

(f) Investment Options

With respect to the participant's 401(k) savings account contributions, Company 401(k) matching contributions and rollover contributions, the Plan makes available an assortment of investment funds to meet the various savings and investment goals of all participants. These investment options have a variety of risks and return characteristics. Participants determine how these contributions are invested by allocating such contributions to one investment fund or by dividing them (in whole percentages) among any combination of the available funds. The following funds were available to participants during 2009:

- **Gartmore Morley Stable Value Fund** – Seeks to provide a consistent rate of return while preserving capital and minimizing risk. The fund consists of assets whose principal value remains stable regardless of stock and bond market fluctuations.
- **Dodge & Cox Income Fund** – Seeks total return consistent with prudent investment management. The fund invests in fixed-income securities.
- **Dodge & Cox Balanced Fund** – Seeks income, conservation of principal, and long-term growth of principal and income. The fund may invest a large portion of its assets in common stocks and convertible securities.
- **Schwab S&P 500 Fund – Select Shares** – Seeks income and capital appreciation. The fund normally invests at least 80% of assets in income-producing equity securities that have demonstrated a yield higher than the composite yield on the stocks in the S&P 500 index.

- **Selected American Shares, Inc.** – Seeks capital appreciation by investing primarily in equity securities of companies with earnings that are expected to grow at an above-average rate.
- **American Funds Capital World G/I R4** – Invests primarily in stocks and debt securities of companies and governments outside the United States.
- **Calamos Growth A Fund** – Seeks rapid capital growth primarily investing in small to medium-sized companies that are expected to demonstrate growth in earnings and revenue.
- **Janus Growth & Income Fund** – Seeks maximum capital growth. The fund invests primarily in common stocks and favors securities of companies expected to benefit from special factors and trends.
- **Federated Clover Small Cap Value Fund A** – Seeks capital growth by investing primarily in common stocks of small-sized, under-valued companies with steady earnings growth, solid market positions and reasonable financial strength.
- **ING International Value A Fund** – Seeks long-term capital growth. The fund invests primarily in stocks and debt securities of companies and governments outside the United States.

The Charles Schwab Trust Company is the trustee of the Plan.

The investment changes to the 401(k) plan are made through the internet or telephone hotline of the plan administrator. Participants may elect to change their investment mix on existing investments at any time; participants may also elect to change their investment mix on future contributions at any time. Any change to the investment mix of existing investments may take up to five business days to be initiated and several more business days to settle. Any investment mix changes regarding future contributions will be effective when contributions are next processed by the plan administrator. Participants may elect to change their contribution-deferred percentage at any time. In accordance with Dept. of Labor Reg. 2550.404(c)1(b)(2), the Plan is intended to qualify as an ERISA 401(c) plan which relieves plan fiduciaries of liability for any investment losses that result from investment decisions made by Plan participants.

Participants' ESOP savings account contributions and the Company ESOP matching contributions are invested in Company common stock at the value as determined as of the most recent valuation date (notes 2 and 4). The participants have full voting rights with respect to any stock allocated to their ESOP savings accounts. The Company has historically not paid any cash dividends.

(g) Participant Notes Receivable

Participants may borrow from their Plan accounts, a minimum of $500 up to a maximum equal to the lesser of $50,000 or 50% of their individual savings account balances. Loan transactions are treated as a transfer to (from) investment funds from (to) participant notes receivable. Loan terms range from one to five years or up to fifteen years for the purchase of a primary residence. The loans are secured by the balance in the participant's accounts and bear interest at a rate commensurate with local prevailing rates as determined quarterly by the 401(k)/ESOP Plan Committee. Interest rates are generally prime plus 1% and range from 4.25% to 10.5% as of December 31, 2009 and 2008. Principal and interest on participant loans are paid ratably through weekly payroll deductions. The range of current loan maturities extends through 2024.

(h) Payment of Benefits

A participant's 401(k) accounts shall be distributed in a lump sum in cash as soon as practicable following separation from service. If the participant separates from service after his normal retirement date under the Plan, or by reason of his death or disability, any distribution from his ESOP accounts will be deferred for no more than one year after the close of the year in which such event occurs. If the participant separates from service for any reason other than retirement, death or disability, any distribution from his ESOP accounts will be deferred for no more than one year after the close of the fifth year following the year in which the participant separated from service; provided that the participant is not reemployed by the Company at the time of distribution.

Upon distribution from the Plan, when the participant exercises the put option, if ESOP participants present (put) their ESOP stock to the Company within 60 days of receiving it, the Company is required to buy it immediately at the value of the stock as determined by the most recent valuation. Upon distribution from the Plan, when the participant exercises the put option, the Company may issue the participants an interest-bearing promissory note which is payable over a five-year period or buy the shares in cash. If ESOP participants do not put their ESOP stock to the Company within 60 days of receiving it, they are required to contact the ESOP administrator about the Company's obligation to purchase their ESOP stock at a later date.

Distributions from the Plan to participants are taxed as ordinary income to the participants in the year of distribution. Depending on when and why the distribution took place, the Plan participants may also be subject to an additional 10% income tax penalty (for early withdrawal of Plan funds). Under certain circumstances, participants who receive a Plan distribution may transfer all or part of this distribution to another tax-deferred type plan and defer the payment of income taxes.

(i) Forfeited Accounts

Forfeitures (totaling $115,003 and $62,157 in 2009 and 2008, respectively) of non-vested Plan participants who received a Company contribution are allocated among the accounts of the Plan participants who are eligible to receive Company contributions for such year in proportion to what they invest in the Plan during the year as compared to what all eligible people invested in the Plan during the same year.

(j) Vesting

Participants are immediately vested in their own contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of service. A participant becomes 33% vested after one year of service, 66% after two years of service, and 100% after three years of service. However, if an active participant dies prior to attaining the normal retirement age, the participant's account becomes 100% vested.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

(b) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for plan benefits at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

(c) Valuation of Investments and Income Recognition

Investment transactions for the investments in shares of registered investment companies, short term cash equivalents, fixed income funds, and equity funds are recorded on a trade-date basis and stated at fair value based on quoted market prices. The collective investment trust is recorded at fair value based on the proportionate units of the underlying assets of the fund. There is no established public trading market for the common stock of the Company. The Company common stock is recorded at fair value as determined by annual independent appraisals (the most recent appraisal was done as of December 31, 2009). Participant notes receivable are stated at unpaid principal balance which approximates fair value.

(d) Plan Termination

While it has no present intention to do so, the Company has the right under the Plan to discontinue contributions and terminate the Plan at any time. Upon termination of the Plan, all participants would become fully vested.

(e) Other Additions and Deductions

All administration expenses incurred by the Plan other than those recorded as an expense and paid by participants are paid for by the Company and are not charged to the Plan.

(f) Subsequent Events

In May 2009, the FASB issued new guidance for accounting for subsequent events. The new guidance establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before financial statements are available to be issued. The implementation of this guidance did not impact the Plan's financial position or results of operations. The Plan evaluated all events and transactions that occurred after December 31, 2009 through September 24, 2010, the date these financial statements were available to be issued, noting no material recognizable subsequent events.

(g) New Accounting Pronouncement

In June 2009, the FASB issued new guidance which created the FASB Accounting Standards Codification, which includes a hierarchy of generally accepted accounting principles. The FASB Accounting Standards Codification (Codification) has become the source for authoritative U.S. generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. On the effective date of this standard, the Codification superseded all then-existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification became non-authoritative. The provisions of the Codification became effective for the Plan for the year ended December 31, 2009. Implementation of this standard did not impact the financial statements or the results of operations.

(3) Assets Certified by Trustee

Except for its investment in TDIndustries, Inc. common stock, the Plan's investments as of December 31, 2009 and 2008 are held by the Trustee, the Charles Schwab Trust Company (Schwab). Investments that represent 5% or more of the Plan's assets are presented separately below.

	December 31, 2009		December 31, 2008	
	Units or shares	Fair value	Units or shares	Fair value
Selected American Shares, Inc.	147,968	$ 5,516,261	133,440	$ 3,808,367
Dodge & Cox Income Fund	411,489	5,332,902	298,040	3,513,897
Gartmore Morley Stable Value Fund	180,374	4,008,573	189,945	4,132,769
Participant Loans	N/A	6,112,092	N/A	5,396,360
Other investments in registered investment companies		20,374,403		12,767,210
Total		$ 41,344,231		$ 29,618,603

In addition, non-interest bearing deposits of $315,423 and $150,210 at December 31, 2009 and 2008, respectively, were certified by Schwab.

Net appreciation in fair value of investments in registered investment companies for the year ended December 31, 2009 is $7,055,020. Net depreciation in fair value of investments in registered investment companies for the year ended December 31, 2008 was $10,678,669.

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

(4) TDIndustries, Inc. Common Stock

At December 31, 2009 and 2008, the Plan held 413,304 and 427,372 shares of common stock in TDIndustries, Inc., respectively. The appraised value of the TDIndustries, Inc. common stock at December 31, 2009 and 2008 was $112.44 and $100.47 per share, respectively.

Net appreciation in fair value of investments in TDIndustries, Inc. common stock is $5,156,330 and $6,252,453 for the years ended December 31, 2009 and 2008, respectively.

The fair value of the Plan's investment in TDIndustries, Inc. common stock was $46,471,902 and $42,938,065 at December 31, 2009 and 2008, respectively and represented more than 5% of net assets available for benefits.

(5) Income Tax Status

The Plan received a favorable determination letter from the Internal Revenue Service (IRS) dated January 24, 2003. The Plan management believes that the Plan and related trust is currently designed and

being operated in compliance with the applicable requirements of the Internal Revenue Code (IRC). Therefore, no provision for income taxes has been included in the Plan's financial statements.

The Plan was amended to incorporate GUST legislative changes, which was effective for the plan year ended December 31, 2002. GUST refers to the following legislation: GATT (General Agreement on Tariffs and Trade); USERRA (Uniformed Services Employment & Reemployment Rights Act of 1994); SBJPA (Small Business Job Protection Act of 1996); and TRA '97 (Taxpayer Relief Act of 1997).

(6) Related-Party Transactions

Plan assets include investments in funds managed by Schwab in 2009 and 2008, respectively. Schwab is the Plan's trustee and as such, transactions with the trustee qualify as party-in-interest transactions. Personnel and facilities of the Company have been used to perform administrative functions for the Plan at no charge to the Plan.

(7) Fair Value Measurements

Codification topic 820, Fair Value Measurements, 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 are described below:

- Level 1 – Valuations are based upon unadjusted quoted prices in active exchange markets involving identical assets and liabilities.

- Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar instruments in active markets; quoted prices and valuations for identical or similar instruments in markets that are not active; and model-based valuation techniques with significant assumptions and inputs that are observable in the market or can be derived principally from or corroborated by observable market data.

- Level 3 – Valuations are derived from model-based techniques that use inputs and significant assumptions that are supported by little or no observable market data. Valuation techniques include the use of pricing models, discounted cash flow models and similar methodologies.

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.

Mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.
Collective investment trust: Valued at the cumulative net asset value of the trust as of the reporting date.
Participant loans: Valued at amortized cost, which approximates fair value.
TDIndustries, Inc. common stock: Valued at third party appraised 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:

	Assets at Fair Value as of December 31, 2009			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds	$31,223,566			$31,223,566
Collective investment trust		$ 4,008,573		4,008,573
Participant loans			$ 6,112,092	6,112,092
TDIndustries, Inc. common stock			46,471,902	46,471,902
	$31,223,566	$ 4,008,573	$52,583,994	$87,816,133

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

	Assets at Fair Value as of December 31, 2008			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds	$20,089,474			$20,089,474
Collective investment trust		$ 4,132,769		4,132,769
Participant loans			$ 5,396,360	5,396,360
TDIndustries, Inc. common stock			42,938,065	42,938,065
	$20,089,474	$ 4,132,769	$48,334,425	$72,556,668

Level 3 Activity:

	Level 3 Assets Year Ended December 31, 2009	
	Participant Loans	**TDIndustries, Inc. common stock**
Balance, beginning of year	$ 5,396,360	$ 42,938,065
Realized gains/(losses)		
Unrealized gains/(losses) relating to instruments still held at the reporting date		5,156,330
Purchases, sales, issuances and settlements, net	715,732	(1,622,493)
Balance, end of year	$ 6,112,092	$ 46,471,902

	Level 3 Assets Year Ended December 31, 2008	
	Participant Loans	**TDIndustries, Inc. common stock**
Balance, beginning of year	$ 5,113,575	$ 35,318,610
Realized gains/(losses)		
Unrealized gains/(losses) relating to instruments still held at the reporting date		6,252,453
Purchases, sales, issuances and settlements, net	282,785	1,367,002
Balance, end of year	$ 5,396,360	$ 42,938,065

The valuation methods used to value the Plan's investments were used consistently during 2009. Unrealized gain on TDIndustries, Inc. common stock is included in net appreciation (depreciation) on fair value of investments in the accompanying statements of changes in net assets available for benefits.

SUPPLEMENTAL SCHEDULE

TDINDUSTRIES, INC. 401(k)/ESOP RETIREMENT PLAN

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

EIN: 26-0464612 Plan - 004

December 31, 2009

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment	(d) Cost	(e) Current value
	Collective Investment Trust	Gartmore Morley Stable Value Fund 180,374 shares	(1)	$ 4,008,573
	Mutual Fund	Dodge & Cox Balanced 67,624 shares	(1)	4,329,993
*	Mutual Fund	Schwab S&P 500 Fund 161,487 shares	(1)	2,800,190
	Mutual Fund	Selected American Shares, Inc. 147,968 shares	(1)	5,516,261
	Mutual Fund	American Funds Capital World G/I R4 107,397 shares	(1)	3,653,635
	Mutual Fund	Janus Growth & Income Fund 114,598 shares	(1)	3,260,303
	Mutual Fund	ING International Value A Fund 173,823 shares	(1)	1,995,485
	Mutual Fund	Federated Clover Small Cap Value Fund A 67,053 shares	(1)	1,101,683
	Mutual Fund	Dodge & Cox Income Fund 411,489 shares	(1)	5,332,902
	Mutual Fund	Calamos Growth A Fund 72,720 shares	(1)	3,233,114
*	TDIndustries, Inc.	Investment in TDIndustries, Inc. (413,304 shares of common stock with a cost basis of $14,725,430) (1)	(1)	46,471,902
				81,704,041
*	Participant notes receivable	Interest rates range from 4.25% to 10.5%; maturity at various dates from 2009 to 2023	-	6,112,092
	Total investments			$ 87,816,133

* Party-in-interest.

(1) Cost basis information provided as transactions are not participant directed. Historical cost information for other investments has not been provided because these investments are participant directed.