

<div>Form 5500</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Annual Return/Report of Employee Benefit Plan</div> <div>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).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500.</div>	<div>OMB Nos. 1210-0110 1210-0089</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A	This return/report is for: <div><div>☐ a multiemployer plan;</div><div>☒ a single-employer plan;</div><div>☐ a multiple-employer plan; or</div><div>☐ a DFE (specify) ____</div></div>
B	This return/report is: <div><div>☐ the first return/report;</div><div>☐ the final return/report;</div><div>☐ an amended return/report;</div><div>☐ a short plan year return/report (less than 12 months).</div></div>
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: <div><div>☒ Form 5558;</div><div>☐ automatic extension;</div><div>☐ the DFVC program;</div><div>☐ special extension (enter description)</div></div>

Part II	Basic Plan Information—enter all requested information
1a	Name of plan MAXWELL SYSTEMS, INC. 401(K) PLAN
1b	Three-digit plan number (PN) ▶ 001
1c	Effective date of plan 01/01/1993
2a	Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) MAXWELL SYSTEMS, INC. 1000 FIRST AVE. STE. 200 KING OF PRUSSIA, PA 19406
2b	Employer Identification Number (EIN) 23-1723672
2c	Sponsor's telephone number 800-688-8226
2d	Business code (see instructions) 541512

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.	10/05/2010	LISANNA STOTTS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	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") MAXWELL SYSTEMS, INC. 1000 FIRST AVE. STE. 200 KING OF PRUSSIA, PA 19406	3b Administrator's EIN 23-1723672 3c Administrator's telephone number 800-688-8226
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	314
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	209
b Retired or separated participants receiving benefits.....	6b	1
c Other retired or separated participants entitled to future benefits.....	6c	61
d Subtotal. Add lines 6a , 6b , and 6c	6d	271
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	271
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	232
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	31

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 3D 2E 2J 2K 2F 2G 3H 2S

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

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

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

<div>SCHEDULE A</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Insurance Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> <div>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</div>	<div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
<div>A Name of plan</div> <div>MAXWELL SYSTEMS, INC. 401(K) PLAN</div>	<div>B Three-digit plan number (PN)</div> <div>▶</div> <div>001</div>	
<div>C Plan sponsor's name as shown on line 2a of Form 5500.</div> <div>MAXWELL SYSTEMS, INC.</div>	<div>D Employer Identification Number (EIN)</div> <div>23-1723672</div>	

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

<div>(a) Name of insurance carrier</div> <div>GREAT WEST LIFE AND ANNUITY INSURANCE COMPANY</div>

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
84-0467907	68322	384220-01	232	01/01/2009	12/31/2009

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

(a) Total amount of commissions paid	(b) Total amount of fees paid
3571	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).
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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
CBIZ FINANCIAL SOLUTIONS INC PO BOX 632886 CINCINNATI, OH 45263

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
3571			3

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

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

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4 Current value of plan's interest under this contract in the general account at year end **4** 1393277**5** Current value of plan's interest under this contract in separate accounts at year end **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ GROUP ANNUITY CONTRACT**b** Balance at the end of the previous year **7b** 1068988**c** Additions: (1) Contributions deposited during the year **7c(1)** 166616(2) Dividends and credits **7c(2)** 0(3) Interest credited during the year **7c(3)** 40317(4) Transferred from separate account **7c(4)** 138443(5) Other (specify below) **7c(5)** 3324

▶ LOAN PAYMENTS

(6) Total additions **7c(6)** 348700**d** Total of balance and additions (add **b** and **c(6)**). **7d** 1417688**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 24411(2) Administration charge made by carrier **7e(2)** 0(3) Transferred to separate account **7e(3)** 0(4) Other (specify below) **7e(4)** 0(5) Total deductions **7e(5)** 24411**f** Balance at the end of the current year (subtract **e(5)** from **d**) **7f** 1393277

Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:

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

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

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

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

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

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

<div>A Name of plan</div> <div>MAXWELL SYSTEMS, INC. 401(K) PLAN</div>	<div>B Three-digit plan number (PN)</div> <div>▶</div> <div>001</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500</div> <div>MAXWELL SYSTEMS, INC.</div>	<div>D Employer Identification Number (EIN)</div> <div>23-1723672</div>

Part I

Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

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

ADVISED ASSET GROUP

8515 EAST ORCHARD ROAD
GREENWOOD VILLAGE, CO 80111

(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?
28	INVESTMENT MGMT	202	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

CBIZ FINANCIAL SOLUTIONS INC

PO BOX 632886
CINCINNATI, OH 45263

(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?
55	BROKER/ADVISOR	0	Yes ☒ No ☐	Yes ☐ No ☒	18039	Yes ☐ No ☒

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

GREAT-WEST LIFE AND ANNUITY COMPANY

8515 EAST ORCHARD ROAD
GREENWOOD VILLAGE, CO 80111

(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?
64	RECORDKEEPER	1300	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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
CBIZ FINANCIAL SOLUTIONS INC	55	18039
(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.	
GREAT-WEST LIFE AND ANNUITY COMPANY 8515 EAST ORCHARD ROAD GREENWOOD VILLAGE, CO 80111	OTHER COMMISSIONS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan MAXWELL SYSTEMS, INC. 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 MAXWELL SYSTEMS, INC.	D Employer Identification Number (EIN) 23-1723672	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	81843	155700
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities.....	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other.....	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	129412	104405
(9) Value of interest in common/collective trusts.....	1c(9)	0	0
(10) Value of interest in pooled separate accounts.....	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	5009094	7038953
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	1068988	1393277
(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	6289337	8692335

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	6289337	8692335
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	159373	
(B) Participants	2a(1)(B)	953791	
(C) Others (including rollovers)	2a(1)(C)	59532	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1172696

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	7615	
(F) Other	2b(1)(F)	40317	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		47932
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	114148	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		114148
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		1558734
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		2893510

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	461171	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		461171
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		29139
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	202	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		202
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		490512

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		2402998
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

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

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

(1) Name: **MCGLADREY AND PULLEN LLP** (2) EIN: **42-0714325**

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>		
A Name of plan <u>MAXWELL SYSTEMS, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>	
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MAXWELL SYSTEMS, INC.</u>	D Employer Identification Number (EIN) <u>23-1723672</u>	

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

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

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

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

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
EIN(s): 20-3691708

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

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

3	
----------	--

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☐ No ☐ N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

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

6a	
b Enter the amount contributed by the employer to the plan for this plan year	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	
6c	

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

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

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

Part III	Amendments
-----------------	-------------------

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

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

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

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

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

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

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

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

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

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

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

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

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

McGladrey & Pullen

Certified Public Accountants

Maxwell Systems, Inc. 401(k) Plan

Financial Report
December 31, 2009

Maxwell Systems, Inc. 401(k) Plan

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McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

To the Plan Administrator
Maxwell Systems, Inc. 401(k) Plan
King of Prussia, Pennsylvania

We were engaged to audit the accompanying statements of net assets available for benefits of Maxwell Systems, Inc. 401(k) Plan (the "Plan") as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009, and the supplemental schedule of assets (held at end of year) as of December 31, 2009. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Notes 3, 4, 5 and 6, which was certified or provided by Great-West Life & Annuity Insurance Company and Orchard Trust Company, the custodian and trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the custodian and trustee hold the Plan's investment assets and execute investment transactions. As disclosed in Note 3, the Plan Administrator has obtained certifications from the custodian and trustee regarding the completeness and accuracy of the investment information provided to the Plan Administrator by the custodian and trustee as of and for the year ended December 31, 2009, and as of December 31, 2008.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and 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 or provided by the custodian and trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

McGladrey & Pullen, LLP

Blue Bell, Pennsylvania
September 28, 2010

Maxwell Systems, Inc. 401(k) Plan

Statements of Net Assets Available for Benefits
December 31, 2009 and 2008

	2009	2008
<hr/>		
Assets		
Investments, at fair value		
Mutual funds	\$ 7,038,953	\$ 5,009,094
Unallocated contracts	1,393,277	1,068,988
Participant loans	104,405	129,412
	<hr/>	
Total investments	8,536,635	6,207,494
	<hr/>	
Contributions Receivable		
Participants	-	-
Employer	155,700	81,843
	<hr/>	
Total contributions receivable	155,700	81,843
	<hr/>	
Total assets	8,692,335	6,289,337
	<hr/>	
Liabilities	-	-
	<hr/>	
Net assets available for benefits	\$ 8,692,335	\$ 6,289,337
	<hr/>	

See Notes to Financial Statements.

Maxwell Systems, Inc. 401(k) Plan

Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2009

Additions

Investment income

Net appreciation in fair value of mutual funds \$ 1,558,734

Dividends 154,465

Interest income 7,615

Total investment income 1,720,814

Contributions

Employer 159,373

Participants 953,791

Participant rollovers 59,532

Total contributions 1,172,696

Total additions 2,893,510

Deductions

Benefits paid to participants 490,310

Administrative expenses 202

Total deductions 490,512

Net increase 2,402,998

Net assets available for benefits:

Beginning 6,289,337

Ending \$ 8,692,335

See Notes to Financial Statements.

Maxwell Systems, Inc. 401(k) Plan

Notes to Financial Statements

Note 1. Description of Plan

The following description of the Maxwell Systems, Inc. 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan documents for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution 401(k) plan covering substantially all employees of Maxwell Systems, Inc. (the "Company") who are 21 years of age. There is no service requirement for employees to make elective deferrals. Employees may enter the plan on the first day of the month following the date on which an employee meets the eligibility requirements. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions: Each year, participants may elect to contribute to the Plan an amount equal to from 1% to 80% of their compensation, subject to certain limitations as outlined in the Plan. Employees hired after August 1, 2007 automatically defer 3% of eligible compensation unless the employee elects otherwise. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

The Company may make a matching contribution to the Plan that is based upon a percentage of the participants' deferrals. The matching contribution for 2009 is equal to 50% of the first 3% of eligible employee compensation deferred. A participant must be employed on December 31 of each year to receive a matching contribution for that year. The Company may also make discretionary contributions to participants who have completed one year of service and are employed on the last day of the Plan year, or if terminated during the Plan year were credited with more than 500 hours of service. No such contribution was made for the 2009 Plan year. The Company may make a Qualified Non-Elective Contribution based upon a percentage of the participant's compensation in order to pass certain tests required by law. No such contribution was made for the 2009 Plan year.

Participant Accounts: Each participant's account is credited with the participant's elective and rollover contributions and an allocation of the Company's contribution and Plan investment earnings, and charged with withdrawals, distributions and a share of Plan investment losses and account administration fees. The allocation of the matching contributions is based on participant deferrals. The allocation of discretionary employer contributions is based on eligible participant compensation. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Participant Investment Options: Participants direct their deferral contributions to selected investments as made available and determined by the Plan Administrator. Participants may change their investment options at any time during the year.

Vesting: Participants are immediately vested in their contributions plus actual earnings thereon. A participant is gradually vested in employer contributions after five years of credited service. Each participant is credited with a year of service upon the completion of 1,000 hours of service during the Plan year.

Participant Loans: Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of the value of the participant's vested interest in his account. Loan terms range from one to five years, except that longer terms are allowed for the purchase of a principal residence. A participant may have two loans outstanding at any one time. The loans are secured by the balance in the participant's account. The interest rate charged on the loan is the prime rate plus 1% (currently 4.25% - 9.25%). Principal and interest are paid ratably through payroll deductions.

Maxwell Systems, Inc. 401(k) Plan

Notes to Financial Statements

Note 1. Description of Plan (Continued)

Payment of Benefits: Upon the attainment of age 59 ½ or termination, a participant may elect to receive the value of their accumulated Plan benefits, in accordance with the provisions of the plan, in a lump-sum distribution. Hardship withdrawals of elective contributions are also permitted. The Plan provides an early retirement option upon reaching age 55 and completing 10 years of service.

Funding Policy: The Company generally remits employee deferral contributions to the Plan on a bi-weekly basis, concurrent with payroll frequency. Company matching contributions are remitted annually.

Forfeitures: Forfeitures may be applied to future employer matching contributions. As of December 31, 2009 and 2008, forfeited non-vested accounts approximated \$3,600 and \$8,000, respectively, which have been used in the subsequent year.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting: The accompanying financial statements are prepared on the accrual basis of accounting. Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The plan invests in an insurance company general account. At December 31, 2009 and 2008, the contract value of the general account approximates its fair value.

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 assets available for benefits and changes therein. Actual results could differ from those estimates.

Payment of Benefits: Benefits are recorded when paid.

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

Great-West Life & Annuity Insurance Company ("Great-West") ("the custodian") maintains certain contributions in an unallocated general account. Contributions are deposited into the general account if selected by the participant. The general account is credited with contributions and investment earnings on the underlying investments and charged for Plan withdrawals and investment earnings or losses on the underlying investments. As transfers are made into the general account, participants are assigned units of the fund with a value equivalent to their deposit amounts. Periodically, the custodian assigns fair values to the units of the general account which reflect their earnings and the fair value of the underlying assets. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Net Appreciation and Depreciation in Fair Value of Investments: The Plan presents in the statement of changes in net assets available for benefits the net appreciation and depreciation in the fair value of its investments which consists of the net of the Plan's realized gains or losses and unrealized appreciation or depreciation on its investments.

Maxwell Systems, Inc. 401(k) Plan

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Administrative Expenses: Plan administrative expenses may be paid by the Plan or the Company. Administrative expenses consist of investment management fees and other administrative fees. The Company currently pays all significant administrative expenses of the Plan.

Recent Accounting Developments: The Financial Accounting Standards Board ("FASB") issued new guidance on accounting for uncertainty in income taxes. The Plan adopted this new guidance for the year ended December 31, 2009. Management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax exempt status and had taken no uncertain tax positions that required adjustments to the financial statements. Therefore, no provision or liability for income taxes had been included in the financial statements.

FASB Staff Position 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly*, amended Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements*, and had significant impact on investment disclosures effective for years ended after June 15, 2009. It requires disclosure of inputs and valuation techniques used to measure fair value and discussion of changes in valuation techniques and related inputs, if any, and includes guidance on determining major security type ("category") for debt and equity securities required to be disclosed on the basis of "nature and risks" of the investments. See Note 5 for the impact of our adoption.

In September 2009, the FASB issued Accounting Standards Update ("ASU") 2009-12, *Investments in Certain Entities That Calculate Net Asset Value Per Share (or its Equivalent)*, which provides guidance on how entities should estimate fair value of alternative investments. The fair value of investments within the scope of this guidance can now be determined using the net asset value ("NAV") per share as a practical expedient when the fair value is not readily determinable unless it is probable the investment will be sold at something other than NAV. It also requires disclosure of certain attributes by major category of alternative investments, regardless of whether the practical expedient was used. This amendment was effective for periods ending after December 15, 2009 and had no impact on the Plan's financial statements.

In January 2010, the FASB issued ASU 2010-06, *Fair Value Measurements and Disclosure – Improving Disclosures About Fair Value Measurements*, which requires new disclosures and reasons for transfers of financial assets and liabilities between Levels 1 and 2. This amendment also clarifies that fair value measurements and disclosures are required for each class of financial assets and liabilities, and those disclosures should include a discussion of inputs and valuation techniques. It further clarifies that the reconciliation of Level 3 measurements should separately present purchases, sales, issuances, and settlements instead of netting these changes. With respect to matters other than Level 3 measurements, the amendment is effective for periods beginning on or after December 15, 2009. Management has determined that the adoption of the standard with respect to matters other than Level 3 measurements had no impact on the financial statements at December 31, 2009. The guidance related to Level 3 measurements is effective for periods beginning on or after December 15, 2010. The Plan is currently evaluating the impact of the guidance related to Level 3 measurements on the financial statement disclosures.

Subsequent Events: The Plan Administrator has evaluated subsequent events through September 28, 2010, the date the financial statements were available to be issued.

Maxwell Systems, Inc. 401(k) Plan

Notes to Financial Statements

Note 3. Information Certified by the Custodian and Trustee

The following is a summary of the investment information as of December 31, 2009 and 2008, and for the year ended December 31, 2009, included throughout the Plan's financial statements and supplemental schedule, that was prepared by or derived from information provided by Great-West Life & Annuity Insurance Company and Orchard Trust Company, the custodian and trustee, and furnished to the Plan Administrator. The Plan Administrator has obtained certifications from the custodian and trustee that the information provided to the Plan Administrator by the custodian and trustee related to the following investments is complete and accurate to the best of their knowledge. Accordingly, as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to information in Notes 3, 4, 5 and 6 and supplemental schedule related to the following investments:

	2009	2008
Mutual funds	\$ 7,038,953	\$ 5,009,094
Unallocated contracts	1,393,277	1,068,988
Participant loans	104,405	129,412
	<u>\$ 8,536,635</u>	<u>\$ 6,207,494</u>

Great-West Life & Annuity Insurance Company and Orchard Trust Company also certified to completeness and accuracy of \$1,558,734 of net appreciation of fair value of investments, \$7,615 of interest, and \$154,465 in dividends related to the aforementioned investments for the year ended December 31, 2009.

Note 4. Investments, at Fair Value

Investments that represent 5% or more of the Plan's net assets are as follows:

	2009	2008
Mutual Funds		
Russell LifePoints 2030 Strategy	\$ 1,491,255	\$ 965,231
Russell LifePoints 2040 Strategy	727,989	483,636
Touchstone Mid Cap Growth - A	444,870	-
American Funds Growth Fund of America	623,888	511,522
American Funds Fundamental Inv	478,586	370,069
PIMCO Total Return	461,879	352,703
JP Morgan Small Cap Equity	- *	319,966
Unallocated Contract - Guaranteed Portfolio Fund	1,393,277	1,068,988

* Less than 5% of net assets

Maxwell Systems, Inc. 401(k) Plan

Notes to Financial Statements

Note 5. Fair Value Measurements

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

The three levels of the fair value hierarchy under ASC 820 are described below:

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

Level 2: Inputs to the valuation methodology include:

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

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

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

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

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

Mutual funds: Investments in mutual funds are valued at the net asset value of shares held by the Plan.

Unallocated contracts: Contract value is the amount plan participants would receive currently if they were to withdraw or transfer funds within the Plan prior to their maturity for an event other than death, disability, termination or retirement. Fair value represents contract value adjusted to reflect current market interest rates only to the extent such market rates exceed crediting rates.

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

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

Maxwell Systems, Inc. 401(k) Plan

Notes to Financial Statements

Note 5. Fair Value Measurements (Continued)

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

Assets at Fair Value at December 31, 2009				
	Level 1	Level 2	Level 3	Total
Mutual funds				
Asset allocation	\$ 2,792,962	\$ -	\$ -	\$ 2,792,962
International	978,466	-	-	978,466
Small-cap	507,412	-	-	507,412
Mid-cap	567,210	-	-	567,210
Large-cap	1,483,957	-	-	1,483,957
Balanced	247,067	-	-	247,067
Bond	461,879	-	-	461,879
	7,038,953	-	-	7,038,953
Unallocated contracts	-	-	1,393,277	1,393,277
Participant loans	-	-	104,405	104,405
	\$ 7,038,953	\$ -	\$ 1,497,682	\$ 8,536,635

Assets at Fair Value at December 31, 2008				
	Level 1	Level 2	Level 3	Total
Mutual funds				
Asset allocation	\$ 1,979,252	\$ -	\$ -	\$ 1,979,252
International	564,034	-	-	564,034
Small-cap	441,246	-	-	441,246
Mid-cap	385,339	-	-	385,339
Large-cap	1,090,563	-	-	1,090,563
Balanced	195,955	-	-	195,955
Bond	352,705	-	-	352,705
	5,009,094	-	-	5,009,094
Unallocated contracts	-	-	1,068,988	1,068,988
Participant loans	-	-	129,412	129,412
	\$ 5,009,094	\$ -	\$ 1,198,400	\$ 6,207,494

Maxwell Systems, Inc. 401(k) Plan

Notes to Financial Statements

Note 5. Fair Value Measurements (Continued)

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

	Unallocated Contracts	Participant Loans
Balance, beginning of year	\$ 1,068,988	\$ 129,412
Purchases, sales, issuances, and settlements, net	324,289	(25,007)
Balance, end of year	<u>\$ 1,393,277</u>	<u>\$ 104,405</u>

During 2009, the Plan's interest in mutual funds (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$1,558,734.

The following table sets forth a summary of the fair value of investments in certain entities that calculate NAV per share (or its equivalent):

	Assets at Fair Value at December 31, 2009			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Unallocated contracts (a)	<u>\$ 1,393,277</u>	<u>\$ -</u>	Immediate	None

- (a) This category includes insurance contracts which provide a guarantee of principal and a guaranteed interest rate, through the backing of the general account assets of an insurance company (See Note 6).

Note 6. Insurance Contracts

The Plan has an investment contract with Great-West Life & Annuity Insurance Company, the custodian. The custodian maintains the contributions to the investment contract in an unallocated general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Contract value, as reported to the Plan by Great-West Life & Annuity Insurance Company, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. The contract value of \$1,389,720 approximated fair value at December 31, 2009. There are no reserves against contract value for credit risk of the contract issuer or otherwise.

Maxwell Systems, Inc. 401(k) Plan

Notes to Financial Statements

Note 6. Insurance Contracts (Continued)

The methodology for calculating the interest crediting rate is based on the earnings of the underlying assets in the entire medium-long term new portfolio compared to the minimum interest crediting rate, as stated in the contract, and prevailing market conditions. Interest crediting rate is reset quarterly. The average interest rate yield earned and credited to participants during 2009 and 2008 is as follows:

	2009	2008
Average yields:		
Based on actual earnings	3.16%	3.55%
Based on interest rate credited to participants	3.16%	3.55%

Certain events may limit the ability of the Plan to transact at contract value with the issuer. Such events may include the following: (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (3) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan Administrator does not believe that the occurrence of any such event, which would limit the Plan's ability to transact at contract value with participants, is probable.

This contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

Note 7. Risks and Uncertainties

The Plan invests in various investment instruments. Investment securities are exposed to various risks, such as credit, interest rate, and market risks.

Credit risk arises from the potential for an issuer or other counterparty to default on its contractual obligations to the Plan. Investments are recorded at fair value. This represents the maximum credit risk exposure of the Plan.

Interest rate risk refers to the impact of interest rate changes on the Plan's financial position. Interest rate changes directly impact the fair value of fixed income securities held in the Plan. Interest rate changes will also have an indirect impact on the other investments held by the Plan.

Market risk is the risk that the market value of an investment will fluctuate as a result of changes in market price.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Note 8. Plan Termination

Although they have not expressed any intent to do so, the Company has the right under the Plan to discontinue their contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

Maxwell Systems, Inc. 401(k) Plan

Notes to Financial Statements

Note 9. Income Tax Status

The Internal Revenue Service stated, in a letter dated November 27, 2001, that the prototype used by the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

Note 10. Related Party Transactions

Certain Plan investments are invested in funds managed by Great-West. Great-West is the custodian as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

Certain administrative functions are performed by officers and management of the Company. No such officers or employees receive compensation from the Plan.

Note 11. Voluntary Correction Program

During 2009, the Plan applied to the DOL's Voluntary Correction Program to cure certain operation failures related to a plan merger which occurred in 2007. In March 2010, the DOL notified the Plan that it approved of the Plan's method of correction and revisions to administrative procedures. There were no significant fines or penalties imposed by the DOL as a result of this action.

Maxwell Systems, Inc. 401(k) Plan

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)
December 31, 2009

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
Unallocated Contracts				
*	Great West Life & Annuity Insurance Company	Guaranteed Portfolio Fund	**	\$ 1,393,277
Mutual Funds				
	Russell	LifePoints 2010 Strategy	**	234,987
	Russell	LifePoints 2020 Strategy	**	338,731
	Russell	LifePoints 2030 Strategy	**	1,491,255
	Russell	LifePoints 2040 Strategy	**	727,989
	American Funds	Europacific Growth	**	413,943
	Oppenheimer	Global Fund	**	138,538
	MFS	Emerging Markets Equity Fund	**	425,985
	JP Morgan	Small Cap Equity	**	390,632
	Fidelity	Advisor Small Cap	**	116,780
	Goldman Sachs	Mid Cap Value Fund	**	122,340
	Touchstone	Mid Cap Growth - A	**	444,870
	Davis	NY Venture	**	274,132
	Maxim	S&P 500	**	107,351
	American Funds	Growth Fund of America	**	623,888
	American Funds	Fundamental Inv	**	478,586
	Oakmark	Equity & Income II	**	247,067
	PIMCO	Total Return	**	461,879
				7,038,953
Participant Loans				
*	Participants	Participant loans, various terms, 4.25% - 9.25%	**	104,405
				<u>\$ 8,536,635</u>

* A party-in-interest as defined by ERISA.

** Not applicable for participant-directed investments.

The above information has been certified by Great-West Life & Annuity Insurance Company, the custodian, and Orchard Trust Company, the trustee, as complete and accurate.

ASSETS HELD FOR INVESTMENT PURPOSES

Maxwell Systems, Inc. 401(k) Plan
01-JAN-09 to 31-DEC-09

31-JAN-10 05:29:47

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
1RJLDX			239,389.28	234,987.12
1RLLDX			367,049.25	338,731.73
1RRLDX			1,777,537.67	1,491,254.05
1RXLDX			872,106.91	727,989.34
192AFEP			451,974.27	413,942.94
1MEMAX			477,299.05	425,984.44
1OPPAX			158,233.64	138,538.42
1FSCTX			119,989.56	116,780.08
1VSEAX			397,731.85	390,632.02
1GCMAX			137,832.62	122,340.13
1TEGAX			330,356.21	444,869.76
1RFNCX			576,891.40	478,585.90
195AFGF			732,199.73	623,887.96
1NYVTX			289,199.27	274,132.29
194MX5			116,983.10	107,350.46
1OARBX			249,955.78	247,067.09
1PTRAX			452,722.12	461,762.34
1PORT		3.000	1,307,493.96	1,389,719.55
			9,054,945.67	8,428,555.62
PARTICIPANT LOANS	VARIOUS	4.250-9.250	104,542.32	104,405.29
FORFEITURES			3,431.77	3,674.00

Attachment to Form 5500, Schedule H, Part 4, Item I
 EIN # 23-1723672 Plan 001

LEGEND

INVESTMENT OPTION:

1RJLDX	Russell LifePoints 2010 Strategy R3	1RLLDX	Russell LifePoints 2020 Strategy R3
1RRLDX	Russell LifePoints 2030 Strategy R3	1RXLDX	Russell LifePoints 2040 Strategy R3
192AFEP	American Funds Europacific Growth - R3	1MEMAX	MFS Emerging Markets Equity Fund - A
1OPPAX	Oppenheimer Global Fund A	1FSCTX	Fidelity Advisor Small Cap T
1VSEAX	JP Morgan Small Cap Equity A	1GCMAX	Goldman Sachs Mid Cap Value Fund A
1TEGAX	Touchstone Mid Cap Growth - A	1RFNCX	American Funds Fundamental Inv R3
195AFGF	American Funds Growth Fund of Amer R3	1NYVTX	Davis NY Venture A
194MX5	Maxim S & P 500	1OARBX	Oakmark Equity & Income II
1PTRAX	PIMCO Total Return Admin	1PORT	Key Guaranteed Portfolio Fund

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

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