

<p><b>Form 5500</b></p> <p>Department of the Treasury Internal Revenue Service</p> <hr/> <p>Department of Labor Employee Benefits Security Administration</p> <hr/> <p>Pension Benefit Guaranty Corporation</p>	<p><b>Annual Return/Report of Employee Benefit Plan</b></p> <p>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).</p> <p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p>	<p>OMB Nos. 1210-0110 1210-0089</p> <hr/> <p><b>2009</b></p> <hr/> <p><b>This Form is Open to Public Inspection</b></p>
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<b>Part I</b>	<b>Annual Report Identification Information</b>
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A This return/report is for:	<input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or <input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____
B This return/report is:	<input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here. . . . .	<input type="checkbox"/>
D Check box if filing under:	<input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description)

<b>Part II</b>	<b>Basic Plan Information</b> —enter all requested information				
<b>1a</b> Name of plan CALYPSO MEDICAL TECHNOLOGIES INC. 401(K) PLAN	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width:20%; text-align: center;">001</td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan 03/01/2001</td> </tr> </table>	<b>1b</b> Three-digit plan number (PN) ▶	001	<b>1c</b> Effective date of plan 03/01/2001	
<b>1b</b> Three-digit plan number (PN) ▶	001				
<b>1c</b> Effective date of plan 03/01/2001					
<b>2a</b> Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) CALYPSO MEDICAL TECHNOLOGIES INC.  <div style="display: flex; justify-content: space-between;"> <div>2101 FOURTH AVENUE SUITE 500 SEATTLE, WA 98121</div> <div>2101 FOURTH AVENUE SUITE 500 SEATTLE, WA 98121</div> </div>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td><b>2b</b> Employer Identification Number (EIN) 91-2014231</td> </tr> <tr> <td><b>2c</b> Sponsor's telephone number 206-254-0600</td> </tr> <tr> <td><b>2d</b> Business code (see instructions) 339110</td> </tr> </table>	<b>2b</b> Employer Identification Number (EIN) 91-2014231	<b>2c</b> Sponsor's telephone number 206-254-0600	<b>2d</b> Business code (see instructions) 339110	
<b>2b</b> Employer Identification Number (EIN) 91-2014231					
<b>2c</b> Sponsor's telephone number 206-254-0600					
<b>2d</b> Business code (see instructions) 339110					

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.

<b>SIGN HERE</b>			
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
<b>SIGN HERE</b>	Filed with authorized/valid electronic signature.	10/08/2010	ALFRED MERRIWEATHER
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
<b>SIGN HERE</b>			
	Signature of DFE	Date	Enter name of individual signing as DFE

<b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same") CALYPSO MEDICAL TECHNOLOGIES INC.  2101 FOURTH AVENUE SUITE 500 SEATTLE, WA 98121	<b>3b</b> Administrator's EIN 91-2014231  <b>3c</b> Administrator's telephone number 206-254-0600
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<b>4</b> 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:  <b>a</b> Sponsor's name	<b>4b</b> EIN  <b>4c</b> PN
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<b>5</b> Total number of participants at the beginning of the plan year	<b>5</b>	185
<b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).		
<b>a</b> Active participants.....	<b>6a</b>	140
<b>b</b> Retired or separated participants receiving benefits.....	<b>6b</b>	0
<b>c</b> Other retired or separated participants entitled to future benefits.....	<b>6c</b>	41
<b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....	<b>6d</b>	181
<b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	<b>6e</b>	1
<b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....	<b>6f</b>	182
<b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	<b>6g</b>	117
<b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<b>6h</b>	0
<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....	<b>7</b>	

  

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:  
 2E 2F 2G 2J 2T 3D

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

<b>9a</b> Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	<b>9b</b> Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> 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)

<b>a Pension Schedules</b> (1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information) (2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary  (3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	<b>b General Schedules</b> (1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information) (2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan) (3) <input type="checkbox"/> <b>A</b> (Insurance Information) (4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information) (5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information) (6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)
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<b>SCHEDULE C</b> <b>(Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Service Provider Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).  ▶ <b>File as an attachment to Form 5500.</b>	OMB No. 1210-0110
		<b>2009</b>
		<b>This Form is Open to Public Inspection.</b>

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
<b>A</b> Name of plan CALYPSO MEDICAL TECHNOLOGIES INC. 401(K) PLAN	<b>B</b> Three-digit plan number (PN) ▶ 001
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 CALYPSO MEDICAL TECHNOLOGIES INC.	<b>D</b> Employer Identification Number (EIN) 91-2014231

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

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

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

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

<b>(b)</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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
64 65	RECORDKEEPER	7063	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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

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

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

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

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

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

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

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

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

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

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

**Part II Service Providers Who Fail or Refuse to Provide Information**

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

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

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

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>SCHEDULE H</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Financial Information</b>  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).  <b>► File as an attachment to Form 5500.</b>	OMB No. 1210-0110  <b>2009</b>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>		
<b>A</b> Name of plan <u>CALYPSO MEDICAL TECHNOLOGIES INC. 401(K) PLAN</u>	<b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span>	<u>001</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>CALYPSO MEDICAL TECHNOLOGIES INC.</u>	<b>D</b> Employer Identification Number (EIN)  <u>91-2014231</u>	

Part I Asset and Liability Statement			
<b>1</b> 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. <b>Round off amounts to the nearest dollar.</b> 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
<b>a</b> Total noninterest-bearing cash .....	<b>1a</b>		
<b>b</b> Receivables (less allowance for doubtful accounts):			
<b>(1)</b> Employer contributions .....	<b>1b(1)</b>		
<b>(2)</b> Participant contributions .....	<b>1b(2)</b>		
<b>(3)</b> Other.....	<b>1b(3)</b>		
<b>c</b> General investments:			
<b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....	<b>1c(1)</b>	433471	594039
<b>(2)</b> U.S. Government securities.....	<b>1c(2)</b>		
<b>(3)</b> Corporate debt instruments (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(3)(A)</b>		
<b>(B)</b> All other.....	<b>1c(3)(B)</b>		
<b>(4)</b> Corporate stocks (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(4)(A)</b>		
<b>(B)</b> Common .....	<b>1c(4)(B)</b>		
<b>(5)</b> Partnership/joint venture interests .....	<b>1c(5)</b>		
<b>(6)</b> Real estate (other than employer real property) .....	<b>1c(6)</b>		
<b>(7)</b> Loans (other than to participants) .....	<b>1c(7)</b>		
<b>(8)</b> Participant loans .....	<b>1c(8)</b>	12773	3716
<b>(9)</b> Value of interest in common/collective trusts.....	<b>1c(9)</b>		
<b>(10)</b> Value of interest in pooled separate accounts.....	<b>1c(10)</b>		
<b>(11)</b> Value of interest in master trust investment accounts .....	<b>1c(11)</b>		
<b>(12)</b> Value of interest in 103-12 investment entities .....	<b>1c(12)</b>		
<b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....	<b>1c(13)</b>	3053097	4297717
<b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....	<b>1c(14)</b>		
<b>(15)</b> Other .....	<b>1c(15)</b>		

**1d** Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities .....	<b>1d(1)</b>		
(2) Employer real property .....	<b>1d(2)</b>		
<b>e</b> Buildings and other property used in plan operation .....	<b>1e</b>		
<b>f</b> Total assets (add all amounts in lines 1a through 1e) .....	<b>1f</b>	3499341	4895472

**Liabilities**

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

**Net Assets**

<b>l</b> Net assets (subtract line 1k from line 1f) .....	<b>1l</b>	3499341	4895472
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**Part II Income and Expense Statement**

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

**Income**

		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: <b>(A)</b> Employers .....	<b>2a(1)(A)</b>		
<b>(B)</b> Participants .....	<b>2a(1)(B)</b>	880322	
<b>(C)</b> Others (including rollovers) .....	<b>2a(1)(C)</b>		
(2) Noncash contributions .....	<b>2a(2)</b>		
(3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> .....	<b>2a(3)</b>		880322
<b>b Earnings on investments:</b>			
(1) Interest:			
<b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....	<b>2b(1)(A)</b>	3397	
<b>(B)</b> U.S. Government securities .....	<b>2b(1)(B)</b>		
<b>(C)</b> Corporate debt instruments .....	<b>2b(1)(C)</b>		
<b>(D)</b> Loans (other than to participants) .....	<b>2b(1)(D)</b>		
<b>(E)</b> Participant loans .....	<b>2b(1)(E)</b>	877	
<b>(F)</b> Other .....	<b>2b(1)(F)</b>		
<b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....	<b>2b(1)(G)</b>		4274
(2) Dividends: <b>(A)</b> Preferred stock .....	<b>2b(2)(A)</b>		
<b>(B)</b> Common stock .....	<b>2b(2)(B)</b>		
<b>(C)</b> Registered investment company shares (e.g. mutual funds) .....	<b>2b(2)(C)</b>	66524	
<b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....	<b>2b(2)(D)</b>		66524
(3) Rents .....	<b>2b(3)</b>		
(4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....	<b>2b(4)(A)</b>		
<b>(B)</b> Aggregate carrying amount (see instructions) .....	<b>2b(4)(B)</b>		
<b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....	<b>2b(4)(C)</b>		

		(a) Amount	(b) Total
<b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	<b>2b(5)(A)</b>		
(B) Other .....	<b>2b(5)(B)</b>		
(C) Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....	<b>2b(5)(C)</b>		
(6) Net investment gain (loss) from common/collective trusts .....	<b>2b(6)</b>		
(7) Net investment gain (loss) from pooled separate accounts .....	<b>2b(7)</b>		
(8) Net investment gain (loss) from master trust investment accounts .....	<b>2b(8)</b>		
(9) Net investment gain (loss) from 103-12 investment entities .....	<b>2b(9)</b>		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	<b>2b(10)</b>		972401
<b>c</b> Other income.....	<b>2c</b>		
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....	<b>2d</b>		1923521

**Expenses**

<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers .....	<b>2e(1)</b>	520271	
(2) To insurance carriers for the provision of benefits .....	<b>2e(2)</b>		
(3) Other .....	<b>2e(3)</b>		
(4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....	<b>2e(4)</b>		520271
<b>f</b> Corrective distributions (see instructions) .....	<b>2f</b>		
<b>g</b> Certain deemed distributions of participant loans (see instructions).....	<b>2g</b>		
<b>h</b> Interest expense.....	<b>2h</b>		
<b>i</b> Administrative expenses: (1) Professional fees .....	<b>2i(1)</b>		
(2) Contract administrator fees .....	<b>2i(2)</b>		
(3) Investment advisory and management fees .....	<b>2i(3)</b>		
(4) Other .....	<b>2i(4)</b>	7119	
(5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....	<b>2i(5)</b>		7119
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total.....	<b>2j</b>		527390

**Net Income and Reconciliation**

<b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> .....	<b>2k</b>		1396131
<b>l</b> Transfers of assets:			
(1) To this plan.....	<b>2l(1)</b>		
(2) From this plan .....	<b>2l(2)</b>		

**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: CLARK NUBER (2) EIN: 91-1194016

**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
<b>a</b> 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		332686
<b>b</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	
<b>c</b> 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	
<b>d</b> 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	
<b>e</b> Was this plan covered by a fidelity bond?.....	X		500000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....		X	
<b>g</b> 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	
<b>h</b> 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	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
<b>j</b> 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	
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
<b>l</b> Has the plan failed to provide any benefit when due under the plan? .....		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
<b>n</b> 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)

<b>SCHEDULE R</b> <b>(Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Retirement Plan Information</b>  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).  ▶ <b>File as an attachment to Form 5500.</b>	OMB No. 1210-0110
		<b>2009</b>
		<b>This Form is Open to Public Inspection.</b>

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

<b>A</b> Name of plan <u>CALYPSO MEDICAL TECHNOLOGIES INC. 401(K) PLAN</u>	<b>B</b> Three-digit plan number (PN) ▶ <u>001</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>CALYPSO MEDICAL TECHNOLOGIES INC.</u>	<b>D</b> Employer Identification Number (EIN) <u>91-2014231</u>

<b>Part I</b>	<b>Distributions</b>
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All references to distributions relate only to payments of benefits during the plan year.

<b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	<b>1</b>	<u>0</u>
<b>2</b> 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): <u>04-6568107</u>		
<b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b>		
<b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	<b>3</b>	

<b>Part II</b>	<b>Funding Information</b> (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)
----------------	--

<b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>If the plan is a defined benefit plan, go to line 8.</b>			
<b>5</b> 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. <b>Date:</b> Month _____ Day _____ Year _____			
<b>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.</b>			
<b>6 a</b> Enter the minimum required contribution for this plan year .....	<b>6a</b>		
<b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....	<b>6b</b>		
<b>c</b> 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).....	<b>6c</b>		
<b>If you completed line 6c, skip lines 8 and 9.</b>			
<b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>8</b> 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? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

<b>Part III</b>	<b>Amendments</b>
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<b>9</b> 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.....	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input type="checkbox"/> No
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<b>Part IV</b>	<b>ESOPs</b> (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.
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<b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>11 a</b> Does the ESOP hold any preferred stock? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</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.) .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> 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:

<b>a</b> The current year .....	<b>14a</b>	
<b>b</b> The plan year immediately preceding the current plan year .....	<b>14b</b>	
<b>c</b> The second preceding plan year .....	<b>14c</b>	

- 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:

<b>a</b> The corresponding number for the plan year immediately preceding the current plan year .....	<b>15a</b>	
<b>b</b> The corresponding number for the second preceding plan year .....	<b>15b</b>	

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

<b>a</b> Enter the number of employers who withdrew during the preceding plan year .....	<b>16a</b>	
<b>b</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 .....	<b>16b</b>	

- 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):

***CALYPSO MEDICAL TECHNOLOGIES INC.***  
***401(k) PLAN***

Financial Statements and Supplemental Schedules  
with Independent Auditors' Report

December 31, 2009 and 2008

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*Independent Auditors' Report**To the Plan Administrator  
Calypso Medical Technologies Inc. 401(k) Plan  
Seattle, Washington*

Certified Public

Accountants  
and Consultants

We were engaged to audit the accompanying statements of net assets available for plan benefits of Calypso Medical Technologies Inc. 401(k) Plan (the Plan) as of December 31, 2009 and 2008, and the related statement of changes in net assets available for plan benefits and supplemental schedules as of and for the year ended December 31, 2009. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 5, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. 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 a certification from the trustee as of December 31, 2009 and 2008, and for the year ended December 31, 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information in the Plan's financial statements and supplemental schedules that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the investment 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 the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Certified Public Accountants  
September 15, 2010

***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

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

---

	<u>2009</u>	<u>2008</u>
<b>Assets:</b>		
Investments:		
Money market fund	\$ 594,039	\$ 433,471
Mutual funds	4,297,717	3,053,097
Participant loans	<u>3,716</u>	<u>12,773</u>
Total investments	4,895,472	3,499,341
Employee contributions receivable	<u>18,309</u>	<u>34,587</u>
<b>Net Assets Available for Plan Benefits</b>	<b><u><u>\$ 4,913,781</u></u></b>	<b><u><u>\$ 3,533,928</u></u></b>

*See accompanying notes to financial statements.*

***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

***Statement of Changes in Net Assets Available for Plan Benefits  
For the Year Ended December 31, 2009***

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**Additions to Net Assets:**

Contributions:

Employee	\$ 864,044
Other	637

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Total contributions 864,681

Investment income:

Net appreciation in fair value of mutual funds	972,401
Interest and dividends	69,284
Interest on participant loans	877

---

Total investment income 1,042,562

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**Total Additions to Net Assets 1,907,243**

**Deductions from Net Assets:**

Benefits paid to participants	520,271
Administrative fees	7,119

---

**Total Deductions from Net Assets 527,390**

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**Net Increase in Net Assets Available for Plan Benefits 1,379,853**

**Net Assets Available for Plan Benefits:**

Beginning of period 3,533,928

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**End of Period \$ 4,913,781**

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*See accompanying notes to financial statements.*

## ***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

### ***Notes to Financial Statements***

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#### ***Note 1 - Plan Description***

The following description of the Calypso Medical Technologies Inc. 401(k) Plan (the Plan) provides general information only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

**General** - The Plan is a defined contribution plan established by Calypso Medical Technologies Inc. (the Sponsor or Company) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan was established March 1, 2001.

**Eligibility** - Employees who are at least 21 years of age are eligible to participate and may enter the Plan on the first day of each month except for employees that are residents of Puerto Rico, leased employees, nonresident aliens with no income from a U.S. source, or temporary employees and independent contractors.

**Contributions** - The Plan's provisions permit pre-tax contributions (elective contributions) by employees pursuant to section 401(k) of the Internal Revenue Code (IRC). Participants may elect to defer up to 60% of eligible compensation or the limit under the IRC. Participants who are at least 50 years of age during a Plan year may make catch-up contributions to the Plan, subject to certain limitations under the IRC. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

The Sponsor may make annual discretionary profit sharing contributions in an amount to be determined at year end by the Sponsor. Employees who complete at least 501 hours of service during the year and are employed as of the last day of the year are eligible to receive profit sharing contributions. The Sponsor has not made any profit sharing contributions since the Plan's inception.

**Participant Accounts** - Participant contributions to the Plan are voluntary. Participants are allowed to direct the investment of contributions into various investment options that offer a diversity of investment risk and return including mutual funds and a money market fund. Participants may change their investment elections and make transfers between investment options daily. Each participant's account is credited with any contributions made to the account, increases or decreases in the market value of investments, and any loans and loan repayments. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Allocation Provisions** - Dividend income, interest income and net realized and unrealized investment gain or loss of each fund shall be allocated to the accounts of each participant based on the participant's proportionate share of the various investment funds held in their investment account.

**Vesting** - Participants are immediately vested in their salary deferral contributions plus actual earnings thereon. Participants vest in Sponsor discretionary profit sharing contributions, plus actual earnings thereon, based on the following schedule:

<u>Years of Service</u>	<u>Percentage of Vested Benefits</u>
Less than 1	0%
1	25%
2	50%
3	75%
4	100%

## ***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

### ***Notes to Financial Statements***

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#### ***Note 1 - Continued***

**Forfeitures** - Forfeitures are retained in the Plan and will first be used to pay administrative expenses. Any remaining amounts may be used to reduce future discretionary profit sharing payable under the Plan. At December 31, 2009 and 2008, there were \$1,463 and \$8,458, respectively, in unallocated forfeitures available for the Company to use as described above. Forfeitures of \$7,037 were used during the year ended December 31, 2009, to pay for administrative expenses.

**Benefit Payments** - Upon termination of service, retirement, death, disability, a participant or beneficiary may elect to receive a lump-sum distribution equal to the value of the participant's vested interest in his or her account. Participants may also elect to receive a distribution of all or any portion of their account balance prior to termination of employment (in-service withdrawals) upon attainment of age 59 ½. Terminated participants with account balances of \$1,000 or less will receive a lump sum distribution automatically. The Plan also allows for hardship withdrawals.

**Participant Loans** - A participant may borrow the lesser of \$50,000 or 50% of his or her vested balance, with a minimum loan of \$1,000. Loans are payable through payroll deductions over a period ranging up to five years, unless such loan is for the purchase of a primary residence, in which case the repayment period may be extended to ten years. The interest rate is determined by the Sponsor based on prevailing interest rates charged by persons in the business of lending money for loans which would be made under similar circumstances.

**Investment and Administrative Expenses** - Several of the investment fund options are subject to investment and administrative fees based on a percentage of invested assets, as disclosed in the fund's prospectus. All such fees are charged directly against the fund's investment performance and thus are not separately disclosed in the accompanying financial statements. Certain administrative expenses of the Plan are paid by the Plan; all other administrative expenses related to the Plan are paid by the Company.

**Subsequent Events** - The Plan's management has evaluated subsequent events through September 15, 2010, the date on which the Plan's financial statements were available to be issued.

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

**Use of Estimates** - The accompanying financial statements of the Plan are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities with disclosure on contingent assets and liabilities at the date of financial statements and reported amounts of additions to or deductions from plan assets during the reporting period. Actual results could differ from those estimates.

**Basis of Accounting** - The financial statements of the Plan have been prepared on the accrual basis of accounting in accordance with GAAP.

## ***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

### ***Notes to Financial Statements***

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#### ***Note 2 - Continued***

**Investment Valuation and Income Recognition** - The Plan's 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 3 for discussion of fair value measurements.

Purchases and sales 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 in fair value of mutual funds represents the change in fair value of assets from one period to the next and realized gains and losses on investments.

**Benefits Paid to Participants** - Benefits paid to participants are recognized when they are paid. At December 31, 2009, there were no amounts allocated to accounts of participants who have elected to withdraw from the Plan, but have not yet been paid.

#### ***Note 3 - Fair Value Measurements***

The Financial Accounting Standards Board (FASB) issued guidance for fair value measurements. This guidance 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) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy under GAAP are described as follows:

Level 1: Unadjusted quoted prices available in active markets for identical assets or liabilities;

Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

Level 3: Unobservable inputs that are significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based upon 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 and 2008.

**Money Market Fund** - Valued at cost plus accrued interest, which approximates fair value.

**Mutual Funds** - Valued at quoted market prices in active markets, which represent the net asset value (NAV) of shares held by the Plan at year-end.

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

# ***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

## ***Notes to Financial Statements***

### ***Note 3 - Continued***

The following tables set forth by level, within the fair value hierarchy, the plan's assets at fair value as of December 31, 2009 and 2008 (Levels 1, 2, and 3 are defined above):

	<i>Fair Value Measurements at December 31, 2009</i>			
	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
Money market fund	\$ 594,039	\$ -	\$ -	\$ 594,039
Mutual funds:				
Large cap funds	1,568,057			1,568,057
Mid cap funds	780,617			780,617
Small cap funds	115,010			115,010
International funds	412,341			412,341
Specialty funds	50,373			50,373
Target date and balanced funds	962,964			962,964
Bond funds	408,355			408,355
Total mutual funds	4,297,717			4,297,717
Participant loans			3,716	3,716
	<b><u>\$ 4,891,756</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,716</u></b>	<b><u>\$ 4,895,472</u></b>

	<i>Fair Value Measurements at December 31, 2008</i>			
	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
Money market fund	\$ 433,471	\$ -	\$ -	\$ 433,471
Mutual funds	3,053,097			3,053,097
Participant loans			12,773	12,773
	<b><u>\$ 3,486,568</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 12,773</u></b>	<b><u>\$ 3,499,341</u></b>

## ***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

### ***Notes to Financial Statements***

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#### ***Note 3 - Continued***

A reconciliation of the beginning and ending balances for fair value measurements made using significant unobservable inputs (Level 3) is as follows for the year ended December 31, 2009:

	<i>Participant Loans</i>
Balance as of December 31, 2008	\$ 12,773
Issuances and repayments, net	<u>(9,057)</u>
<b>Balance as of December 31, 2009</b>	<b><u>\$ 3,716</u></b>

#### ***Note 4 - Investments***

The following presents investments that represent 5% or more of the Plan's net assets as of December 31:

	<u>2009</u>	<u>2008</u>
<b>Mutual Funds:</b>		
Fidelity Spartan Total Market Index Fund	\$ 289,918	\$ 229,577
Fidelity Diversified International Fund	274,203	194,104
Fidelity Low Priced Stock Fund	274,090	*
Fidelity Intermediate Bond Fund	259,199	178,478
Fidelity Value Fund	*	206,574
Fidelity Growth Company Fund	*	200,780
<b>Money Market Fund:</b>		
Fidelity Retirement Money Market Fund	594,039	433,471

*\* Did not comprise 5% of more of net assets.*

#### ***Note 5 - Information Certified by the Trustee***

The Plan Sponsor has elected the method of compliance permitted by Section 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Under this provision of ERISA, certain information certified by a qualifying institution need not be subjected to independent audits. The Plan Sponsor has obtained a certification from the trustee, Fidelity Management Trust Company, that the following information provided by the trustee and included in the Plan's financial statements and supplemental schedules is complete and accurate:

- Fair value of investments as of December 31, 2009 and 2008;
- Investment income earned for the year ended December 31, 2009; and
- Investment transactions for the year ending December 31, 2009.

## ***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

### ***Notes to Financial Statements***

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#### ***Note 6 - Plan Termination***

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become fully vested in their account balances.

#### ***Note 7 - Federal Income Taxes***

The Company adopted a plan under the Internal Revenue Service (IRS) volume submitter program which received a favorable opinion letter dated March 31, 2008. The Plan itself has not received a determination letter from the IRS. However, the Plan's management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

#### ***Note 8 - Party-in-Interest Transactions***

The Plan invests in shares of mutual funds and a money market fund managed by an affiliate of the trustee. Transactions in such investments and fees charged by the affiliate directly to the funds for managing the investments qualify as party-in-interest transactions.

#### ***Note 9 - Risks and Uncertainties***

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

#### ***Note 10 - Reconciliation to Form 5500***

The following is a reconciliation of net assets available for plan benefits per the financial statements to the Form 5500 as of December 31:

	<u>2009</u>	<u>2008</u>
Net assets available for plan benefits per the financial statements	\$ 4,913,781	\$ 3,533,928
Less: Employee contributions receivable	<u>(18,309)</u>	<u>(34,587)</u>
<b>Net Assets per the Form 5500</b>	<b><u>\$ 4,895,472</u></b>	<b><u>\$ 3,499,341</u></b>

## ***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

### ***Notes to Financial Statements***

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#### ***Note 10 - Continued***

The following is a reconciliation of the net increase in net assets available for plan benefits per the financial statements to the Form 5500 for the year ended December 31, 2009:

Net increase in net assets per the financial statements	\$ 1,379,853
Less: Employee contributions receivable at December 31, 2009	(18,309)
Add: Employee contributions receivable at December 31, 2008	<u>34,587</u>
<b>Net Income per the Form 5500</b>	<b><u>\$ 1,396,131</u></b>

#### ***Note 11 - Delinquent Participant Contributions***

The Company determined that there were several instances during 2008 and 2009 in which participant deferral contributions and loan repayments were not deposited by the Company as plan assets within the time limitation stipulated under the Department of Labor's (DOL) regulations. Late remittances of participant deferrals contributions and loan repayments constitute non-exempt prohibited transactions under ERISA and have been reported separately in the supplemental schedule of delinquent participant contributions to the financial statements.

Delinquent participant deferral contributions and loan repayments totaled \$281,691 in 2008. During 2009, the Company remitted \$638 in lost earnings to the Plan for these delinquent deposits.

Delinquent participant deferral contributions and loan repayments totaled \$50,995 in 2009. In June 2010, the Company corrected certain 2009 delinquent deposits by remitting \$595 in lost earnings to the Plan. The Company is currently working with its third party administrator to restore lost earnings to the affected participants for the remaining 2009 delinquent deposits. During 2009, the Plan Sponsor implemented controls to help ensure future participant deferral contributions and loan repayments are deposited in accordance with DOL regulations.

***SUPPLEMENTAL SCHEDULES***

***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

***Schedule I - Attachment to Form 5500, Schedule H, Line 4(a)***  
***Schedule of Delinquent Participant Contributions***

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*EMPLOYER: Calypso Medical Technologies Inc.*

*EIN: 91-2014231*

*Plan #: 001*

<i>Participant Contributions Transferred Late to Plan</i>	<i>Total that Constitutes Nonexempt Prohibited Transactions</i>			<i>Total Fully Corrected Under VFCP and PTE 2002 - 51</i>
<i>Check Here if Late Participant Loan Repayments are Included: <input checked="" type="checkbox"/></i>	<i>Contributions not Corrected</i>	<i>Contributions Corrected Outside VFCP</i>	<i>Contributions Pending Correction in VFCP</i>	
\$332,686	\$32,686	\$300,000	\$0	\$0

*See independent auditors' report.*

# **CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN**

## **Schedule II - Attachment to Form 5500, Schedule H, Line 4(i) Schedule of Assets Held as of December 31, 2009**

EMPLOYER: Calypso Medical Technologies Inc.

EIN: 91-2014231

Plan #: 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, par or Maturity Value	(d) Cost	(e) Current Value
*	Fidelity	Fidelity Fund, 1,595 shares	**	\$ 45,194
*	Fidelity	Puritan Fund, 12,389 shares	**	198,961
*	Fidelity	Value Strategies Fund, 3,021 shares	**	66,788
*	Fidelity	Contrafund Fund, 3,660 shares	**	213,276
*	Fidelity	Equity Fund, 4,493 shares	**	175,853
*	Fidelity	Growth Company Fund, 3,351 shares	**	231,160
*	Fidelity	Investment Growth Bond Fund, 20,303 shares	**	142,935
*	Fidelity	Intermediate Bond Fund, 25,537 shares	**	259,199
*	Fidelity	Value Fund, 3,795 shares	**	216,102
*	Fidelity	OTC Portfolio, 661 shares	**	30,244
*	Fidelity	Overseas Fund, 4,466 shares	**	138,138
*	Fidelity	Real Estate Investment Fund, 2,499 shares	**	50,373
*	Fidelity	Blue Chip Growth Fund, 2,644 shares	**	100,348
*	Fidelity	Low Priced Stock Fund, 8,581 shares	**	274,090
*	Fidelity	Equity Income II Fund, 1,980 shares	**	32,332
*	Fidelity	Growth Strategies Fund, 4,450 shares	**	72,407
*	Fidelity	Diversified International Fund, 9,793 shares	**	274,203
*	Fidelity	Dividend Growth Fund, 10,158 shares	**	240,443
*	Fidelity	Exp & Multinational Fund, 2,716 shares	**	53,289
*	Fidelity	Mid Cap Stock Fund, 7,728 shares	**	180,985
*	Fidelity	Large Cap Stock Fund, 4,140 shares	**	62,060
*	Fidelity	Freedom Income Fund, 17,571 shares	**	188,712
*	Fidelity	Freedom 2000 Fund, 1,895 shares	**	21,504
*	Fidelity	Freedom 2010 Fund, 696 shares	**	8,707
*	Fidelity	Freedom 2020 Fund, 9,329 shares	**	117,076
*	Fidelity	Freedom 2030 Fund, 10,899 shares	**	135,042
*	Fidelity	Small Cap Discovery Fund, 1,568 shares	**	24,361
*	Fidelity	Spartan Total Market Index Fund, 9,183 shares	**	289,918
*	Fidelity	Spartan Extended Market Index, 1,218 shares	**	37,032
*	Fidelity	Short Term Bond Fund, 749 shares	**	6,221
*	Fidelity	Fifty Fund, 6,246 shares	**	93,941
*	Fidelity	Retirement Money Market Fund, 594,039 shares	**	594,039
*	Fidelity	Freedom 2040 Fund, 16,436 shares	**	117,681
*	Fidelity	Freedom 2015 Fund, 7,593 shares	**	79,122
*	Fidelity	Freedom 2025 Fund, 7,513 shares	**	78,060
*	Fidelity	Freedom 2035 Fund, 1,573 shares	**	16,136
*	Fidelity	Small Cap Value Fund, 1,882 shares	**	23,861
*	Fidelity	Freedom 2045 Fund, 232 shares	**	1,963
*	Participant Loans	Interest rate of 10%	-0-	3,716
<b>Total</b>				<b>\$ 4,895,472</b>

\* Party-in-interest as defined by section 3(14) of ERISA.

\*\* Historical cost information omitted with respect to assets held for investment purposes on participant-directed individual account balances.

See independent auditors' report.

***CALYPSO MEDICAL TECHNOLOGIES INC.***  
***401(k) PLAN***

Financial Statements and Supplemental Schedules  
with Independent Auditors' Report

December 31, 2009 and 2008

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*Independent Auditors' Report**To the Plan Administrator  
Calypso Medical Technologies Inc. 401(k) Plan  
Seattle, Washington*Certified Public  
Accountants  
and Consultants

We were engaged to audit the accompanying statements of net assets available for plan benefits of Calypso Medical Technologies Inc. 401(k) Plan (the Plan) as of December 31, 2009 and 2008, and the related statement of changes in net assets available for plan benefits and supplemental schedules as of and for the year ended December 31, 2009. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 5, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. 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 a certification from the trustee as of December 31, 2009 and 2008, and for the year ended December 31, 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information in the Plan's financial statements and supplemental schedules that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the investment 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 the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Certified Public Accountants  
September 15, 2010

***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

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

---

	<u>2009</u>	<u>2008</u>
<b>Assets:</b>		
Investments:		
Money market fund	\$ 594,039	\$ 433,471
Mutual funds	4,297,717	3,053,097
Participant loans	<u>3,716</u>	<u>12,773</u>
Total investments	4,895,472	3,499,341
Employee contributions receivable	<u>18,309</u>	<u>34,587</u>
<b>Net Assets Available for Plan Benefits</b>	<b><u><u>\$ 4,913,781</u></u></b>	<b><u><u>\$ 3,533,928</u></u></b>

*See accompanying notes to financial statements.*

***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

***Statement of Changes in Net Assets Available for Plan Benefits  
For the Year Ended December 31, 2009***

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**Additions to Net Assets:**

Contributions:

Employee	\$ 864,044
Other	637

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Total contributions 864,681

Investment income:

Net appreciation in fair value of mutual funds	972,401
Interest and dividends	69,284
Interest on participant loans	877

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Total investment income 1,042,562

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**Total Additions to Net Assets 1,907,243**

**Deductions from Net Assets:**

Benefits paid to participants	520,271
Administrative fees	7,119

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**Total Deductions from Net Assets 527,390**

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**Net Increase in Net Assets Available for Plan Benefits 1,379,853**

**Net Assets Available for Plan Benefits:**

Beginning of period 3,533,928

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**End of Period \$ 4,913,781**

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*See accompanying notes to financial statements.*

## ***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

### ***Notes to Financial Statements***

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#### ***Note 1 - Plan Description***

The following description of the Calypso Medical Technologies Inc. 401(k) Plan (the Plan) provides general information only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

**General** - The Plan is a defined contribution plan established by Calypso Medical Technologies Inc. (the Sponsor or Company) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan was established March 1, 2001.

**Eligibility** - Employees who are at least 21 years of age are eligible to participate and may enter the Plan on the first day of each month except for employees that are residents of Puerto Rico, leased employees, nonresident aliens with no income from a U.S. source, or temporary employees and independent contractors.

**Contributions** - The Plan's provisions permit pre-tax contributions (elective contributions) by employees pursuant to section 401(k) of the Internal Revenue Code (IRC). Participants may elect to defer up to 60% of eligible compensation or the limit under the IRC. Participants who are at least 50 years of age during a Plan year may make catch-up contributions to the Plan, subject to certain limitations under the IRC. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

The Sponsor may make annual discretionary profit sharing contributions in an amount to be determined at year end by the Sponsor. Employees who complete at least 501 hours of service during the year and are employed as of the last day of the year are eligible to receive profit sharing contributions. The Sponsor has not made any profit sharing contributions since the Plan's inception.

**Participant Accounts** - Participant contributions to the Plan are voluntary. Participants are allowed to direct the investment of contributions into various investment options that offer a diversity of investment risk and return including mutual funds and a money market fund. Participants may change their investment elections and make transfers between investment options daily. Each participant's account is credited with any contributions made to the account, increases or decreases in the market value of investments, and any loans and loan repayments. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Allocation Provisions** - Dividend income, interest income and net realized and unrealized investment gain or loss of each fund shall be allocated to the accounts of each participant based on the participant's proportionate share of the various investment funds held in their investment account.

**Vesting** - Participants are immediately vested in their salary deferral contributions plus actual earnings thereon. Participants vest in Sponsor discretionary profit sharing contributions, plus actual earnings thereon, based on the following schedule:

<u>Years of Service</u>	<u>Percentage of Vested Benefits</u>
Less than 1	0%
1	25%
2	50%
3	75%
4	100%

## ***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

### ***Notes to Financial Statements***

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#### ***Note 1 - Continued***

**Forfeitures** - Forfeitures are retained in the Plan and will first be used to pay administrative expenses. Any remaining amounts may be used to reduce future discretionary profit sharing payable under the Plan. At December 31, 2009 and 2008, there were \$1,463 and \$8,458, respectively, in unallocated forfeitures available for the Company to use as described above. Forfeitures of \$7,037 were used during the year ended December 31, 2009, to pay for administrative expenses.

**Benefit Payments** - Upon termination of service, retirement, death, disability, a participant or beneficiary may elect to receive a lump-sum distribution equal to the value of the participant's vested interest in his or her account. Participants may also elect to receive a distribution of all or any portion of their account balance prior to termination of employment (in-service withdrawals) upon attainment of age 59 ½. Terminated participants with account balances of \$1,000 or less will receive a lump sum distribution automatically. The Plan also allows for hardship withdrawals.

**Participant Loans** - A participant may borrow the lesser of \$50,000 or 50% of his or her vested balance, with a minimum loan of \$1,000. Loans are payable through payroll deductions over a period ranging up to five years, unless such loan is for the purchase of a primary residence, in which case the repayment period may be extended to ten years. The interest rate is determined by the Sponsor based on prevailing interest rates charged by persons in the business of lending money for loans which would be made under similar circumstances.

**Investment and Administrative Expenses** - Several of the investment fund options are subject to investment and administrative fees based on a percentage of invested assets, as disclosed in the fund's prospectus. All such fees are charged directly against the fund's investment performance and thus are not separately disclosed in the accompanying financial statements. Certain administrative expenses of the Plan are paid by the Plan; all other administrative expenses related to the Plan are paid by the Company.

**Subsequent Events** - The Plan's management has evaluated subsequent events through September 15, 2010, the date on which the Plan's financial statements were available to be issued.

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

**Use of Estimates** - The accompanying financial statements of the Plan are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities with disclosure on contingent assets and liabilities at the date of financial statements and reported amounts of additions to or deductions from plan assets during the reporting period. Actual results could differ from those estimates.

**Basis of Accounting** - The financial statements of the Plan have been prepared on the accrual basis of accounting in accordance with GAAP.

## ***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

### ***Notes to Financial Statements***

---

#### ***Note 2 - Continued***

**Investment Valuation and Income Recognition** - The Plan's 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 3 for discussion of fair value measurements.

Purchases and sales 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 in fair value of mutual funds represents the change in fair value of assets from one period to the next and realized gains and losses on investments.

**Benefits Paid to Participants** - Benefits paid to participants are recognized when they are paid. At December 31, 2009, there were no amounts allocated to accounts of participants who have elected to withdraw from the Plan, but have not yet been paid.

#### ***Note 3 - Fair Value Measurements***

The Financial Accounting Standards Board (FASB) issued guidance for fair value measurements. This guidance 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) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy under GAAP are described as follows:

Level 1: Unadjusted quoted prices available in active markets for identical assets or liabilities;

Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

Level 3: Unobservable inputs that are significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based upon 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 and 2008.

**Money Market Fund** - Valued at cost plus accrued interest, which approximates fair value.

**Mutual Funds** - Valued at quoted market prices in active markets, which represent the net asset value (NAV) of shares held by the Plan at year-end.

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

# **CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN**

## **Notes to Financial Statements**

### **Note 3 - Continued**

The following tables set forth by level, within the fair value hierarchy, the plan's assets at fair value as of December 31, 2009 and 2008 (Levels 1, 2, and 3 are defined above):

	<i>Fair Value Measurements at December 31, 2009</i>			
	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
Money market fund	\$ 594,039	\$ -	\$ -	\$ 594,039
Mutual funds:				
Large cap funds	1,568,057			1,568,057
Mid cap funds	780,617			780,617
Small cap funds	115,010			115,010
International funds	412,341			412,341
Specialty funds	50,373			50,373
Target date and balanced funds	962,964			962,964
Bond funds	408,355			408,355
Total mutual funds	4,297,717			4,297,717
Participant loans			3,716	3,716
	<b><u>\$ 4,891,756</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,716</u></b>	<b><u>\$ 4,895,472</u></b>

	<i>Fair Value Measurements at December 31, 2008</i>			
	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
Money market fund	\$ 433,471	\$ -	\$ -	\$ 433,471
Mutual funds	3,053,097			3,053,097
Participant loans			12,773	12,773
	<b><u>\$ 3,486,568</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 12,773</u></b>	<b><u>\$ 3,499,341</u></b>

## ***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

### ***Notes to Financial Statements***

---

#### ***Note 3 - Continued***

A reconciliation of the beginning and ending balances for fair value measurements made using significant unobservable inputs (Level 3) is as follows for the year ended December 31, 2009:

	<i>Participant Loans</i>
Balance as of December 31, 2008	\$ 12,773
Issuances and repayments, net	<u>(9,057)</u>
<b>Balance as of December 31, 2009</b>	<b><u>\$ 3,716</u></b>

#### ***Note 4 - Investments***

The following presents investments that represent 5% or more of the Plan's net assets as of December 31:

	<u>2009</u>	<u>2008</u>
<b>Mutual Funds:</b>		
Fidelity Spartan Total Market Index Fund	\$ 289,918	\$ 229,577
Fidelity Diversified International Fund	274,203	194,104
Fidelity Low Priced Stock Fund	274,090	*
Fidelity Intermediate Bond Fund	259,199	178,478
Fidelity Value Fund	*	206,574
Fidelity Growth Company Fund	*	200,780
<b>Money Market Fund:</b>		
Fidelity Retirement Money Market Fund	594,039	433,471

*\* Did not comprise 5% of more of net assets.*

#### ***Note 5 - Information Certified by the Trustee***

The Plan Sponsor has elected the method of compliance permitted by Section 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Under this provision of ERISA, certain information certified by a qualifying institution need not be subjected to independent audits. The Plan Sponsor has obtained a certification from the trustee, Fidelity Management Trust Company, that the following information provided by the trustee and included in the Plan's financial statements and supplemental schedules is complete and accurate:

- Fair value of investments as of December 31, 2009 and 2008;
- Investment income earned for the year ended December 31, 2009; and
- Investment transactions for the year ending December 31, 2009.

## ***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

### ***Notes to Financial Statements***

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#### ***Note 6 - Plan Termination***

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become fully vested in their account balances.

#### ***Note 7 - Federal Income Taxes***

The Company adopted a plan under the Internal Revenue Service (IRS) volume submitter program which received a favorable opinion letter dated March 31, 2008. The Plan itself has not received a determination letter from the IRS. However, the Plan's management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

#### ***Note 8 - Party-in-Interest Transactions***

The Plan invests in shares of mutual funds and a money market fund managed by an affiliate of the trustee. Transactions in such investments and fees charged by the affiliate directly to the funds for managing the investments qualify as party-in-interest transactions.

#### ***Note 9 - Risks and Uncertainties***

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

#### ***Note 10 - Reconciliation to Form 5500***

The following is a reconciliation of net assets available for plan benefits per the financial statements to the Form 5500 as of December 31:

	<u>2009</u>	<u>2008</u>
Net assets available for plan benefits per the financial statements	\$ 4,913,781	\$ 3,533,928
Less: Employee contributions receivable	<u>(18,309)</u>	<u>(34,587)</u>
<b>Net Assets per the Form 5500</b>	<b><u>\$ 4,895,472</u></b>	<b><u>\$ 3,499,341</u></b>

## ***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

### ***Notes to Financial Statements***

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#### ***Note 10 - Continued***

The following is a reconciliation of the net increase in net assets available for plan benefits per the financial statements to the Form 5500 for the year ended December 31, 2009:

Net increase in net assets per the financial statements	\$ 1,379,853
Less: Employee contributions receivable at December 31, 2009	(18,309)
Add: Employee contributions receivable at December 31, 2008	<u>34,587</u>
<b>Net Income per the Form 5500</b>	<b><u>\$ 1,396,131</u></b>

#### ***Note 11 - Delinquent Participant Contributions***

The Company determined that there were several instances during 2008 and 2009 in which participant deferral contributions and loan repayments were not deposited by the Company as plan assets within the time limitation stipulated under the Department of Labor's (DOL) regulations. Late remittances of participant deferrals contributions and loan repayments constitute non-exempt prohibited transactions under ERISA and have been reported separately in the supplemental schedule of delinquent participant contributions to the financial statements.

Delinquent participant deferral contributions and loan repayments totaled \$281,691 in 2008. During 2009, the Company remitted \$638 in lost earnings to the Plan for these delinquent deposits.

Delinquent participant deferral contributions and loan repayments totaled \$50,995 in 2009. In June 2010, the Company corrected certain 2009 delinquent deposits by remitting \$595 in lost earnings to the Plan. The Company is currently working with its third party administrator to restore lost earnings to the affected participants for the remaining 2009 delinquent deposits. During 2009, the Plan Sponsor implemented controls to help ensure future participant deferral contributions and loan repayments are deposited in accordance with DOL regulations.

***SUPPLEMENTAL SCHEDULES***

***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

***Schedule I - Attachment to Form 5500, Schedule H, Line 4(a)***  
***Schedule of Delinquent Participant Contributions***

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*EMPLOYER: Calypso Medical Technologies Inc.*

*EIN: 91-2014231*

*Plan #: 001*

<i>Participant Contributions Transferred Late to Plan</i>	<i>Total that Constitutes Nonexempt Prohibited Transactions</i>			<i>Total Fully Corrected Under VFCP and PTE 2002 - 51</i>
<i>Check Here if Late Participant Loan Repayments are Included: <input checked="" type="checkbox"/></i>	<i>Contributions not Corrected</i>	<i>Contributions Corrected Outside VFCP</i>	<i>Contributions Pending Correction in VFCP</i>	
\$332,686	\$32,686	\$300,000	\$0	\$0

*See independent auditors' report.*

# **CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN**

## **Schedule II - Attachment to Form 5500, Schedule H, Line 4(i) Schedule of Assets Held as of December 31, 2009**

EMPLOYER: Calypso Medical Technologies Inc.

EIN: 91-2014231

Plan #: 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, par or Maturity Value	(d) Cost	(e) Current Value
*	Fidelity	Fidelity Fund, 1,595 shares	**	\$ 45,194
*	Fidelity	Puritan Fund, 12,389 shares	**	198,961
*	Fidelity	Value Strategies Fund, 3,021 shares	**	66,788
*	Fidelity	Contrafund Fund, 3,660 shares	**	213,276
*	Fidelity	Equity Fund, 4,493 shares	**	175,853
*	Fidelity	Growth Company Fund, 3,351 shares	**	231,160
*	Fidelity	Investment Growth Bond Fund, 20,303 shares	**	142,935
*	Fidelity	Intermediate Bond Fund, 25,537 shares	**	259,199
*	Fidelity	Value Fund, 3,795 shares	**	216,102
*	Fidelity	OTC Portfolio, 661 shares	**	30,244
*	Fidelity	Overseas Fund, 4,466 shares	**	138,138
*	Fidelity	Real Estate Investment Fund, 2,499 shares	**	50,373
*	Fidelity	Blue Chip Growth Fund, 2,644 shares	**	100,348
*	Fidelity	Low Priced Stock Fund, 8,581 shares	**	274,090
*	Fidelity	Equity Income II Fund, 1,980 shares	**	32,332
*	Fidelity	Growth Strategies Fund, 4,450 shares	**	72,407
*	Fidelity	Diversified International Fund, 9,793 shares	**	274,203
*	Fidelity	Dividend Growth Fund, 10,158 shares	**	240,443
*	Fidelity	Exp & Multinational Fund, 2,716 shares	**	53,289
*	Fidelity	Mid Cap Stock Fund, 7,728 shares	**	180,985
*	Fidelity	Large Cap Stock Fund, 4,140 shares	**	62,060
*	Fidelity	Freedom Income Fund, 17,571 shares	**	188,712
*	Fidelity	Freedom 2000 Fund, 1,895 shares	**	21,504
*	Fidelity	Freedom 2010 Fund, 696 shares	**	8,707
*	Fidelity	Freedom 2020 Fund, 9,329 shares	**	117,076
*	Fidelity	Freedom 2030 Fund, 10,899 shares	**	135,042
*	Fidelity	Small Cap Discovery Fund, 1,568 shares	**	24,361
*	Fidelity	Spartan Total Market Index Fund, 9,183 shares	**	289,918
*	Fidelity	Spartan Extended Market Index, 1,218 shares	**	37,032
*	Fidelity	Short Term Bond Fund, 749 shares	**	6,221
*	Fidelity	Fifty Fund, 6,246 shares	**	93,941
*	Fidelity	Retirement Money Market Fund, 594,039 shares	**	594,039
*	Fidelity	Freedom 2040 Fund, 16,436 shares	**	117,681
*	Fidelity	Freedom 2015 Fund, 7,593 shares	**	79,122
*	Fidelity	Freedom 2025 Fund, 7,513 shares	**	78,060
*	Fidelity	Freedom 2035 Fund, 1,573 shares	**	16,136
*	Fidelity	Small Cap Value Fund, 1,882 shares	**	23,861
*	Fidelity	Freedom 2045 Fund, 232 shares	**	1,963
*	Participant Loans	Interest rate of 10%	-0-	3,716
<b>Total</b>				<b>\$ 4,895,472</b>

\* Party-in-interest as defined by section 3(14) of ERISA.

\*\* Historical cost information omitted with respect to assets held for investment purposes on participant-directed individual account balances.

See independent auditors' report.

***CALYPSO MEDICAL TECHNOLOGIES INC.***  
***401(k) PLAN***

Financial Statements and Supplemental Schedules  
with Independent Auditors' Report

December 31, 2009 and 2008

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*Independent Auditors' Report**To the Plan Administrator  
Calypso Medical Technologies Inc. 401(k) Plan  
Seattle, Washington*

Certified Public

Accountants  
and Consultants

We were engaged to audit the accompanying statements of net assets available for plan benefits of Calypso Medical Technologies Inc. 401(k) Plan (the Plan) as of December 31, 2009 and 2008, and the related statement of changes in net assets available for plan benefits and supplemental schedules as of and for the year ended December 31, 2009. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 5, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. 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 a certification from the trustee as of December 31, 2009 and 2008, and for the year ended December 31, 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information in the Plan's financial statements and supplemental schedules that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the investment 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 the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Certified Public Accountants  
September 15, 2010

***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

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

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	<u>2009</u>	<u>2008</u>
<b>Assets:</b>		
Investments:		
Money market fund	\$ 594,039	\$ 433,471
Mutual funds	4,297,717	3,053,097
Participant loans	<u>3,716</u>	<u>12,773</u>
Total investments	4,895,472	3,499,341
Employee contributions receivable	<u>18,309</u>	<u>34,587</u>
<b>Net Assets Available for Plan Benefits</b>	<b><u><u>\$ 4,913,781</u></u></b>	<b><u><u>\$ 3,533,928</u></u></b>

*See accompanying notes to financial statements.*

***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

***Statement of Changes in Net Assets Available for Plan Benefits  
For the Year Ended December 31, 2009***

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**Additions to Net Assets:**

Contributions:

Employee	\$ 864,044
Other	637

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Total contributions 864,681

Investment income:

Net appreciation in fair value of mutual funds	972,401
Interest and dividends	69,284
Interest on participant loans	877

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Total investment income 1,042,562

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**Total Additions to Net Assets 1,907,243**

**Deductions from Net Assets:**

Benefits paid to participants	520,271
Administrative fees	7,119

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**Total Deductions from Net Assets 527,390**

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**Net Increase in Net Assets Available for Plan Benefits 1,379,853**

**Net Assets Available for Plan Benefits:**

Beginning of period 3,533,928

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**End of Period \$ 4,913,781**

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*See accompanying notes to financial statements.*

## ***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

### ***Notes to Financial Statements***

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#### ***Note 1 - Plan Description***

The following description of the Calypso Medical Technologies Inc. 401(k) Plan (the Plan) provides general information only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

**General** - The Plan is a defined contribution plan established by Calypso Medical Technologies Inc. (the Sponsor or Company) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan was established March 1, 2001.

**Eligibility** - Employees who are at least 21 years of age are eligible to participate and may enter the Plan on the first day of each month except for employees that are residents of Puerto Rico, leased employees, nonresident aliens with no income from a U.S. source, or temporary employees and independent contractors.

**Contributions** - The Plan's provisions permit pre-tax contributions (elective contributions) by employees pursuant to section 401(k) of the Internal Revenue Code (IRC). Participants may elect to defer up to 60% of eligible compensation or the limit under the IRC. Participants who are at least 50 years of age during a Plan year may make catch-up contributions to the Plan, subject to certain limitations under the IRC. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

The Sponsor may make annual discretionary profit sharing contributions in an amount to be determined at year end by the Sponsor. Employees who complete at least 501 hours of service during the year and are employed as of the last day of the year are eligible to receive profit sharing contributions. The Sponsor has not made any profit sharing contributions since the Plan's inception.

**Participant Accounts** - Participant contributions to the Plan are voluntary. Participants are allowed to direct the investment of contributions into various investment options that offer a diversity of investment risk and return including mutual funds and a money market fund. Participants may change their investment elections and make transfers between investment options daily. Each participant's account is credited with any contributions made to the account, increases or decreases in the market value of investments, and any loans and loan repayments. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Allocation Provisions** - Dividend income, interest income and net realized and unrealized investment gain or loss of each fund shall be allocated to the accounts of each participant based on the participant's proportionate share of the various investment funds held in their investment account.

**Vesting** - Participants are immediately vested in their salary deferral contributions plus actual earnings thereon. Participants vest in Sponsor discretionary profit sharing contributions, plus actual earnings thereon, based on the following schedule:

<u>Years of Service</u>	<u>Percentage of Vested Benefits</u>
Less than 1	0%
1	25%
2	50%
3	75%
4	100%

## ***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

### ***Notes to Financial Statements***

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#### ***Note 1 - Continued***

**Forfeitures** - Forfeitures are retained in the Plan and will first be used to pay administrative expenses. Any remaining amounts may be used to reduce future discretionary profit sharing payable under the Plan. At December 31, 2009 and 2008, there were \$1,463 and \$8,458, respectively, in unallocated forfeitures available for the Company to use as described above. Forfeitures of \$7,037 were used during the year ended December 31, 2009, to pay for administrative expenses.

**Benefit Payments** - Upon termination of service, retirement, death, disability, a participant or beneficiary may elect to receive a lump-sum distribution equal to the value of the participant's vested interest in his or her account. Participants may also elect to receive a distribution of all or any portion of their account balance prior to termination of employment (in-service withdrawals) upon attainment of age 59 ½. Terminated participants with account balances of \$1,000 or less will receive a lump sum distribution automatically. The Plan also allows for hardship withdrawals.

**Participant Loans** - A participant may borrow the lesser of \$50,000 or 50% of his or her vested balance, with a minimum loan of \$1,000. Loans are payable through payroll deductions over a period ranging up to five years, unless such loan is for the purchase of a primary residence, in which case the repayment period may be extended to ten years. The interest rate is determined by the Sponsor based on prevailing interest rates charged by persons in the business of lending money for loans which would be made under similar circumstances.

**Investment and Administrative Expenses** - Several of the investment fund options are subject to investment and administrative fees based on a percentage of invested assets, as disclosed in the fund's prospectus. All such fees are charged directly against the fund's investment performance and thus are not separately disclosed in the accompanying financial statements. Certain administrative expenses of the Plan are paid by the Plan; all other administrative expenses related to the Plan are paid by the Company.

**Subsequent Events** - The Plan's management has evaluated subsequent events through September 15, 2010, the date on which the Plan's financial statements were available to be issued.

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

**Use of Estimates** - The accompanying financial statements of the Plan are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities with disclosure on contingent assets and liabilities at the date of financial statements and reported amounts of additions to or deductions from plan assets during the reporting period. Actual results could differ from those estimates.

**Basis of Accounting** - The financial statements of the Plan have been prepared on the accrual basis of accounting in accordance with GAAP.

## ***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

### ***Notes to Financial Statements***

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#### ***Note 2 - Continued***

**Investment Valuation and Income Recognition** - The Plan's 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 3 for discussion of fair value measurements.

Purchases and sales 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 in fair value of mutual funds represents the change in fair value of assets from one period to the next and realized gains and losses on investments.

**Benefits Paid to Participants** - Benefits paid to participants are recognized when they are paid. At December 31, 2009, there were no amounts allocated to accounts of participants who have elected to withdraw from the Plan, but have not yet been paid.

#### ***Note 3 - Fair Value Measurements***

The Financial Accounting Standards Board (FASB) issued guidance for fair value measurements. This guidance 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) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy under GAAP are described as follows:

Level 1: Unadjusted quoted prices available in active markets for identical assets or liabilities;

Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

Level 3: Unobservable inputs that are significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based upon 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 and 2008.

**Money Market Fund** - Valued at cost plus accrued interest, which approximates fair value.

**Mutual Funds** - Valued at quoted market prices in active markets, which represent the net asset value (NAV) of shares held by the Plan at year-end.

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

# **CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN**

## **Notes to Financial Statements**

### **Note 3 - Continued**

The following tables set forth by level, within the fair value hierarchy, the plan's assets at fair value as of December 31, 2009 and 2008 (Levels 1, 2, and 3 are defined above):

	<i>Fair Value Measurements at December 31, 2009</i>			
	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
Money market fund	\$ 594,039	\$ -	\$ -	\$ 594,039
Mutual funds:				
Large cap funds	1,568,057			1,568,057
Mid cap funds	780,617			780,617
Small cap funds	115,010			115,010
International funds	412,341			412,341
Specialty funds	50,373			50,373
Target date and balanced funds	962,964			962,964
Bond funds	408,355			408,355
Total mutual funds	4,297,717			4,297,717
Participant loans			3,716	3,716
	<b><u>\$ 4,891,756</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,716</u></b>	<b><u>\$ 4,895,472</u></b>

	<i>Fair Value Measurements at December 31, 2008</i>			
	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
Money market fund	\$ 433,471	\$ -	\$ -	\$ 433,471
Mutual funds	3,053,097			3,053,097
Participant loans			12,773	12,773
	<b><u>\$ 3,486,568</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 12,773</u></b>	<b><u>\$ 3,499,341</u></b>

## ***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

### ***Notes to Financial Statements***

---

#### ***Note 3 - Continued***

A reconciliation of the beginning and ending balances for fair value measurements made using significant unobservable inputs (Level 3) is as follows for the year ended December 31, 2009:

	<i>Participant Loans</i>
Balance as of December 31, 2008	\$ 12,773
Issuances and repayments, net	<u>(9,057)</u>
<b>Balance as of December 31, 2009</b>	<b><u>\$ 3,716</u></b>

#### ***Note 4 - Investments***

The following presents investments that represent 5% or more of the Plan's net assets as of December 31:

	<u>2009</u>	<u>2008</u>
<b>Mutual Funds:</b>		
Fidelity Spartan Total Market Index Fund	\$ 289,918	\$ 229,577
Fidelity Diversified International Fund	274,203	194,104
Fidelity Low Priced Stock Fund	274,090	*
Fidelity Intermediate Bond Fund	259,199	178,478
Fidelity Value Fund	*	206,574
Fidelity Growth Company Fund	*	200,780
<b>Money Market Fund:</b>		
Fidelity Retirement Money Market Fund	594,039	433,471

*\* Did not comprise 5% of more of net assets.*

#### ***Note 5 - Information Certified by the Trustee***

The Plan Sponsor has elected the method of compliance permitted by Section 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Under this provision of ERISA, certain information certified by a qualifying institution need not be subjected to independent audits. The Plan Sponsor has obtained a certification from the trustee, Fidelity Management Trust Company, that the following information provided by the trustee and included in the Plan's financial statements and supplemental schedules is complete and accurate:

- Fair value of investments as of December 31, 2009 and 2008;
- Investment income earned for the year ended December 31, 2009; and
- Investment transactions for the year ending December 31, 2009.

## ***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

### ***Notes to Financial Statements***

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#### ***Note 6 - Plan Termination***

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become fully vested in their account balances.

#### ***Note 7 - Federal Income Taxes***

The Company adopted a plan under the Internal Revenue Service (IRS) volume submitter program which received a favorable opinion letter dated March 31, 2008. The Plan itself has not received a determination letter from the IRS. However, the Plan's management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

#### ***Note 8 - Party-in-Interest Transactions***

The Plan invests in shares of mutual funds and a money market fund managed by an affiliate of the trustee. Transactions in such investments and fees charged by the affiliate directly to the funds for managing the investments qualify as party-in-interest transactions.

#### ***Note 9 - Risks and Uncertainties***

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

#### ***Note 10 - Reconciliation to Form 5500***

The following is a reconciliation of net assets available for plan benefits per the financial statements to the Form 5500 as of December 31:

	<u>2009</u>	<u>2008</u>
Net assets available for plan benefits per the financial statements	\$ 4,913,781	\$ 3,533,928
Less: Employee contributions receivable	<u>(18,309)</u>	<u>(34,587)</u>
<b>Net Assets per the Form 5500</b>	<b><u>\$ 4,895,472</u></b>	<b><u>\$ 3,499,341</u></b>

## ***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

### ***Notes to Financial Statements***

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#### ***Note 10 - Continued***

The following is a reconciliation of the net increase in net assets available for plan benefits per the financial statements to the Form 5500 for the year ended December 31, 2009:

Net increase in net assets per the financial statements	\$ 1,379,853
Less: Employee contributions receivable at December 31, 2009	(18,309)
Add: Employee contributions receivable at December 31, 2008	<u>34,587</u>
<b>Net Income per the Form 5500</b>	<b><u>\$ 1,396,131</u></b>

#### ***Note 11 - Delinquent Participant Contributions***

The Company determined that there were several instances during 2008 and 2009 in which participant deferral contributions and loan repayments were not deposited by the Company as plan assets within the time limitation stipulated under the Department of Labor's (DOL) regulations. Late remittances of participant deferrals contributions and loan repayments constitute non-exempt prohibited transactions under ERISA and have been reported separately in the supplemental schedule of delinquent participant contributions to the financial statements.

Delinquent participant deferral contributions and loan repayments totaled \$281,691 in 2008. During 2009, the Company remitted \$638 in lost earnings to the Plan for these delinquent deposits.

Delinquent participant deferral contributions and loan repayments totaled \$50,995 in 2009. In June 2010, the Company corrected certain 2009 delinquent deposits by remitting \$595 in lost earnings to the Plan. The Company is currently working with its third party administrator to restore lost earnings to the affected participants for the remaining 2009 delinquent deposits. During 2009, the Plan Sponsor implemented controls to help ensure future participant deferral contributions and loan repayments are deposited in accordance with DOL regulations.

***SUPPLEMENTAL SCHEDULES***

***CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN***

***Schedule I - Attachment to Form 5500, Schedule H, Line 4(a)***  
***Schedule of Delinquent Participant Contributions***

---

*EMPLOYER: Calypso Medical Technologies Inc.*

*EIN: 91-2014231*

*Plan #: 001*

<i>Participant Contributions Transferred Late to Plan</i>	<i>Total that Constitutes Nonexempt Prohibited Transactions</i>			<i>Total Fully Corrected Under VFCP and PTE 2002 - 51</i>
<i>Check Here if Late Participant Loan Repayments are Included: <input checked="" type="checkbox"/></i>	<i>Contributions not Corrected</i>	<i>Contributions Corrected Outside VFCP</i>	<i>Contributions Pending Correction in VFCP</i>	
\$332,686	\$32,686	\$300,000	\$0	\$0

*See independent auditors' report.*

# **CALYPSO MEDICAL TECHNOLOGIES INC. 401(k) PLAN**

## **Schedule II - Attachment to Form 5500, Schedule H, Line 4(i) Schedule of Assets Held as of December 31, 2009**

EMPLOYER: Calypso Medical Technologies Inc.

EIN: 91-2014231

Plan #: 001

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, par or Maturity Value	(d) Cost	(e) Current Value
*	Fidelity	Fidelity Fund, 1,595 shares	**	\$ 45,194
*	Fidelity	Puritan Fund, 12,389 shares	**	198,961
*	Fidelity	Value Strategies Fund, 3,021 shares	**	66,788
*	Fidelity	Contrafund Fund, 3,660 shares	**	213,276
*	Fidelity	Equity Fund, 4,493 shares	**	175,853
*	Fidelity	Growth Company Fund, 3,351 shares	**	231,160
*	Fidelity	Investment Growth Bond Fund, 20,303 shares	**	142,935
*	Fidelity	Intermediate Bond Fund, 25,537 shares	**	259,199
*	Fidelity	Value Fund, 3,795 shares	**	216,102
*	Fidelity	OTC Portfolio, 661 shares	**	30,244
*	Fidelity	Overseas Fund, 4,466 shares	**	138,138
*	Fidelity	Real Estate Investment Fund, 2,499 shares	**	50,373
*	Fidelity	Blue Chip Growth Fund, 2,644 shares	**	100,348
*	Fidelity	Low Priced Stock Fund, 8,581 shares	**	274,090
*	Fidelity	Equity Income II Fund, 1,980 shares	**	32,332
*	Fidelity	Growth Strategies Fund, 4,450 shares	**	72,407
*	Fidelity	Diversified International Fund, 9,793 shares	**	274,203
*	Fidelity	Dividend Growth Fund, 10,158 shares	**	240,443
*	Fidelity	Exp & Multinational Fund, 2,716 shares	**	53,289
*	Fidelity	Mid Cap Stock Fund, 7,728 shares	**	180,985
*	Fidelity	Large Cap Stock Fund, 4,140 shares	**	62,060
*	Fidelity	Freedom Income Fund, 17,571 shares	**	188,712
*	Fidelity	Freedom 2000 Fund, 1,895 shares	**	21,504
*	Fidelity	Freedom 2010 Fund, 696 shares	**	8,707
*	Fidelity	Freedom 2020 Fund, 9,329 shares	**	117,076
*	Fidelity	Freedom 2030 Fund, 10,899 shares	**	135,042
*	Fidelity	Small Cap Discovery Fund, 1,568 shares	**	24,361
*	Fidelity	Spartan Total Market Index Fund, 9,183 shares	**	289,918
*	Fidelity	Spartan Extended Market Index, 1,218 shares	**	37,032
*	Fidelity	Short Term Bond Fund, 749 shares	**	6,221
*	Fidelity	Fifty Fund, 6,246 shares	**	93,941
*	Fidelity	Retirement Money Market Fund, 594,039 shares	**	594,039
*	Fidelity	Freedom 2040 Fund, 16,436 shares	**	117,681
*	Fidelity	Freedom 2015 Fund, 7,593 shares	**	79,122
*	Fidelity	Freedom 2025 Fund, 7,513 shares	**	78,060
*	Fidelity	Freedom 2035 Fund, 1,573 shares	**	16,136
*	Fidelity	Small Cap Value Fund, 1,882 shares	**	23,861
*	Fidelity	Freedom 2045 Fund, 232 shares	**	1,963
*	Participant Loans	Interest rate of 10%	-0-	3,716
<b>Total</b>				<b>\$ 4,895,472</b>

\* Party-in-interest as defined by section 3(14) of ERISA.

\*\* Historical cost information omitted with respect to assets held for investment purposes on participant-directed individual account balances.

See independent auditors' report.