

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

Part II	Basic Plan Information—enter all requested information
1a	Name of plan ARC MACHINES, INC. 401 (K) SAVINGS PLAN
1b	Three-digit plan number (PN) ▶ 002
1c	Effective date of plan 08/01/1988
2a	Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) ARC MACHINES, INC. 10500 ORBITAL WAY PACOIMA, CA 91331
2b	Employer Identification Number (EIN) 95-3010284
2c	Sponsor's telephone number 818-896-9556
2d	Business code (see instructions) 333510

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2010	ROLFE JONES
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2010	ROLFE JONES
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") ARC MACHINES, INC. 10500 ORBITAL WAY PACOIMA, CA 91331	3b Administrator's EIN 95-3010284 3c Administrator's telephone number 818-896-9556
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year	5	239
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	132
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	100
d Subtotal. Add lines 6a , 6b , and 6c	6d	232
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	232
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	228
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

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

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan ARC MACHINES, INC. 401 (K) SAVINGS PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 ARC MACHINES, INC.	D Employer Identification Number (EIN) 95-3010284	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
PACIFIC INVESTMENT MGMT CORP	840 NEWPORT CENTER DRIVE NEWPORT BEACH, CA 92660-6397

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation	
MORGAN STANLEY DEAN WITTER	1585 BROADWAY NEW YORK, NY 10020

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
NEUBERGER & BERMAN FUNDS	ONE INTERNATIONAL PLACE BOSTON, MA 02110

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
FRANKLIN TEMPLETON GROUP	3344 QUALITY DRIVE RANCHO CORDOVA, CA 95670-7313

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

PUTNAM INVESTMENTS
1 POST OFFICE SQUARE
BOSTON, MA 02109

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

T ROWE PRICE
100 EAST PRATT STREET
BALTIMORE, MD 21202

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

ALLIANZ GLOBAL INVESTORS
P.O. BOX 8050
BOSTON, MA 02266-8050

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

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

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

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

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

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

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

MERCER HR SERVICES, LLC

INVESTORS WAY
NORWOOD, MA 02062-1584

20-1932099

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 21 25 37 38 49 59 60 62 64 65 99	RECORDKEEPER/T RUSTEE	0	Yes ☒ No ☐	Yes ☐ No ☒	32313	Yes ☐ No ☒

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MERCER HR SERVICES, LLC	15 21 25 37 38 49 59 64 65 99	27961
(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.	
PUTNAM INVESTMENTS 1 POST OFFICE SQUARE BOSTON, MA 02109	VARIOUS ADMINISTRATIVE SERVICES	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MERCER HR SERVICES, LLC	15 38 59 60	1966
(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.	
PACIFIC INVESTMENT MGMT CORP 840 NEWPORT CENTER DRIVE NEWPORT BEACH, CA 92660-6397	RECORDKEEPING, PARTICIPANT COMMUNICATION, SHAREHOLDER SERVICING FEES AND SUB-TRANSFER AGENCY FEES	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

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

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

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

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

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan ARC MACHINES, INC. 401 (K) SAVINGS PLAN	B Three-digit plan number (PN)	002
C Plan sponsor's name as shown on line 2a of Form 5500 ARC MACHINES, INC.	D Employer Identification Number (EIN) 95-3010284	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	278564	217800
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	402416	285165
(9) Value of interest in common/collective trusts.....	1c(9)		930075
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	6898900	7395345
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	7579880	8828385

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	7579880	8828385
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Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	217095	
(B) Participants	2a(1)(B)	257358	
(C) Others (including rollovers)	2a(1)(C)	73375	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		547828

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	27864	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		27864

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	135959	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		135959

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		248923
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		1185990
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		2146564

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	898059	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		898059
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		898059

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1248505
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: BDO USA LLP

(2) EIN: 13-5381590

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

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

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

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

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

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

A Name of plan <u>ARC MACHINES, INC. 401 (K) SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ARC MACHINES, INC.</u>	D Employer Identification Number (EIN) <u>95-3010284</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>20-2020334</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

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

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**ARC MACHINES, INC.
401(K) SAVINGS PLAN**

**Financial Statements and
Supplemental Schedule**

As of and For the Years Ended December 31, 2009
and 2008 and For the Year Ended December 31, 2009



The report accompanying these financial statements was issued by BDO USA, LLP, a New York limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.



Arc Machines, Inc.
401(k) Savings Plan

Financial Statements and
Supplemental Schedule
As of December 31, 2009 and 2008 and
For the Year Ended December 31, 2009

**Arc Machines, Inc.
401(k) Savings Plan**

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Note: Schedules other than that listed above have been omitted because they are not applicable or are not required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended.



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4th Floor
Los Angeles, CA 90067

Independent Auditors' Report

The Plan Administrator
Arc Machines, Inc. 401(k) Savings Plan
Pacoima, California

We were engaged to audit the financial statements and supplemental schedule of the Arc Machines, Inc. 401(k) Savings Plan (the "Plan") as of December 31, 2009 and 2008 and for the year ended December 31, 2009, as listed in the accompanying contents. These financial statements and the supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the 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 3, which was certified by Mercer Trust Company, the custodian and the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the custodian and trustee hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained certifications from the custodian and 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 custodian and trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and the supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the investment information certified by the custodian and trustee, have been audited by us in accordance with auditing standards generally accepted in the United States 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.

BDO USA, LLP

October 4, 2010

BDO USA, LLP, a New York limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Financial Statements

**Arc Machines, Inc.
401(k) Savings Plan**

Statements of Net Assets Available for Plan Benefits

<i>December 31,</i>	2009	2008
Assets		
Investments, at fair value:		
Mutual funds	\$ 7,395,345	\$ 6,898,900
Common collective trust	930,075	-
Participant loans receivable	285,165	402,416
Total investments	8,610,585	7,301,316
Receivables:		
Employer contributions receivable	217,800	278,564
Total receivables	217,800	278,564
Net assets available for Plan benefits	\$ 8,828,385	\$ 7,579,880

See accompanying independent auditors' report and notes to financial statements.

**Arc Machines, Inc.
401(k) Savings Plan**

Statement of Changes in Net Assets Available for Plan Benefits

<i>Year ended December 31,</i>	<i>2009</i>
Additions	
Investment income:	
Net appreciation in fair value of investments	\$ 1,434,913
Dividend income	135,959
Interest income from participant loans	27,863
Net investment income	1,598,735
Contributions:	
Employer	217,095
Participants	257,358
Rollover	73,375
Total contributions	547,828
Net Additions	2,146,563
Deductions	
Benefits paid to participants and beneficiaries	898,058
Total Deductions	898,058
Net Increase	1,248,505
Net assets available for Plan benefits	
Beginning of year	7,579,880
End of year	\$ 8,828,385

See accompanying independent auditors' report and notes to financial statements.

Arc Machines, Inc. 401(k) Savings Plan

Notes to Financial Statements

1. Description of Plan

Basis of Presentation

The Arc Machines, Inc. 401(k) Savings Plan (the "Plan") is a single-employer plan sponsored by Arc Machines, Inc. (the "Company"). The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution 401(k) plan available to qualifying employees of the Company. At December 31, 2009 and 2008, Mercer Trust Company (the "Custodian") was the Plan's trustee and custodian and Mercer HR Services, LLP was the Plan's record keeper and third party administrator. All contributions are held in accounts maintained by Putnam Investment Company. The Custodian distributes all Plan benefits. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan is administered by certain Board of Directors and Director of Human Resources of the Company, who have the general authority and responsibility to control the operation and administration of the Plan.

Eligibility

All employees who have one month of service and are age 18 or older are eligible to participate in the Plan.

Participant Accounts

Each participant's account is credited with the participant's contribution, an allocation of the Company's discretionary contribution, if any, and an allocation of Plan earnings within the designated specified investment funds. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Contributions

Each year, participants may contribute up to 75 percent of eligible compensation, as defined in the Plan, up to the maximum allowed by law. The Plan allows participants age 50 years and over to make additional salary deferrals (referred to as employee catch-up contributions), subject to legal limits of \$5,500 in 2009. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers several mutual funds as investment options. The Company may make annual contributions at the option of the Company's Board of Directors. It is the Company's intention for the Plan to be a 401(k) safe harbor plan. Under the 401(k) safe harbor rules, all eligible employees are entitled to a Company contribution. For 2009, the Company's discretionary contribution was computed at 3% of each eligible participant's annual compensation subject to certain limitations.

**Arc Machines, Inc.
401(k) Savings Plan**

Notes to Financial Statements

Vesting

Participants are immediately vested in their contributions and Company contributions, if any, plus actual earnings thereon.

Participant Loans Receivable

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. Loan terms range from one to five years. The loans are secured by the balance in the participant's account and bear interest at the rate of prime plus 2% per annum. Principal and interest are paid ratably through weekly payroll deductions. At December 31, 2009 and 2008, participant loans mature on various dates through 2014 and bear interest at rates ranging from 5.25% to 10.25%.

Payment of Benefits

Within 90 days of termination of service, due to death, disability or retirement, a participant may elect to receive a lump-sum payment, an annuity, or installments over time. For termination of service due to other reasons, a participant may elect to receive a lump-sum distribution, transfer the vested balance to an individual retirement account or a qualified employer plan, or leave the vested balance in the Plan.

Hardship Withdrawal

A participant may be permitted to withdraw a portion or all of the balance of their individual account that is attributable to the participant's tax-deferred compensation (without earnings) for the reasons specified by and to the extent permitted under regulations issued by the Internal Revenue Service.

Administrative Expenses

Non-investment costs and administrative expenses of the Plan are paid by the Company which is a party-in-interest. These expenses, which are appropriately not reflected in the accompanying financial statements, constitute exempt party-in-interest transactions under ERISA. Most investment service fees are paid by the Plan and are offset against the related investment income.

2. Summary of Significant Accounting Policies

Basis of Accounting

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

As described in the Plan Accounting—Defined Contribution Pension Plans topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("Codification"), investment contracts held by a defined-contribution plan are required to be reported at fair value.

Arc Machines, Inc. 401(k) Savings Plan

Notes to Financial Statements

However, contract value is the relevant measurement attribute for that portion of the net assets available for plan benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

The Plan invests in the Putnam Standard & Poor ("S&P") 500 Index Fund which constitutes individual funds similar to that of a mutual fund investment. The fair value for each fund may be directly observable in the publicly-traded market. The value of this index fund, otherwise known as the common collective trust, is indexed to the fair value of the funds and as such, no contract value exists. The Statement of Changes in Net Assets Available for Plan Benefits is prepared on the fair value basis.

Use of Estimates

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

Impact of Recently Issued Accounting Pronouncements

In September 2009, the FASB issued guidance which provides a practical expedient for measuring the fair values of Plan investments in a limited number of entities that calculate a net asset value per share (such as hedge funds, private equity funds, funds of funds, certain collective trusts and pooled separate accounts). This guidance also provides enhanced disclosure requirements, and it became effective for plan reporting periods ending after December 15, 2009. The adoption of the guidance resulted in additional disclosures which are presented in Note 5.

In May 2009, the FASB issued guidance which set forth the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements, and the disclosures that an entity should make about events or transactions that occur after the balance sheet date. The adoption of these changes did not have a material impact to the financial statements of the Plan.

In April 2009, the FASB issued guidance that emphasizes that the objective of a fair value measurement does not change even when market activity for the asset or liability has decreased significantly. Fair value is the price that would be received for an asset sold or paid to transfer a liability in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. When observable transactions or quoted prices are not considered orderly, then little, if any, weight should be assigned to the indication of the asset or liability's fair value. Adjustments to those transactions or prices should be applied to determine the appropriate fair value. The standard also requires increased disclosures. The adoption of the guidance resulted in additional disclosures which are presented in Note 5.

Arc Machines, Inc.
401(k) Savings Plan

Notes to Financial Statements

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year end. Participant loans are valued at their outstanding loan balances, which approximate fair value. Shares of the common collective trust ("CCT") are valued at net unit value as determined by the trustee at year end. The fair value of such units held by the CCT is determined using the market price of the underlying securities.

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

The Plan's trustee certified the fair market value of the common collective trust as \$930,075 at December 31, 2009.

Net Appreciation (Depreciation) in Fair Value of Investments

Realized and unrealized appreciation (depreciation) in the fair value of investments is based on the difference between the fair value of the assets at the beginning of the year, or at the time of purchase for assets purchased during the year, and the related fair value on the day investments are sold with respect to realized appreciation (depreciation), or on the last day of the year for unrealized appreciation (depreciation).

Realized and unrealized appreciation (depreciation) is recorded in the accompanying Statement of Changes in Net Assets Available for Plan Benefits as net appreciation in fair value of investments.

Payment of Benefits

Benefits are recorded when paid.

Risks and Uncertainties

The Plan provides for various investment options in mutual funds that invest in investment securities. Investment securities are exposed to various risks such as interest rate, credit and overall market volatility. 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 at, least reasonably possible that changes in risk 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.

The Plan invests in securities of foreign companies, which involve special risks and considerations not typically associated with investing in U.S. companies. These risks include devaluation of currencies, less reliable information about issuers, different securities transaction clearance and settlement practices, and possible adverse political and economic developments. Moreover, securities of many foreign companies and their markets may be less liquid and their prices more volatile than securities of comparable U.S. companies.

**Arc Machines, Inc.
401(k) Savings Plan**

Notes to Financial Statements

Subsequent Events

In May 2009, the FASB issued new accounting guidance on subsequent events. The new accounting guidance requires that management evaluate events and transactions that may occur for potential recognition or disclosure in the financial statements after the balance sheet date through the date the financial statements are issued or available to be issued and determines the circumstances under which such events or transactions must be recognized in the financial statements. The Plan adopted the new accounting guidance during the year ended December 31, 2009. The adoption of the new accounting guidance did not have an effect on the Plan's financial statements.

3. Information Prepared and Certified by Trustee

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Trustee, Mercer Trust Company, has certified that the following data included in the accompanying financial statements and supplemental schedule are complete and accurate.

<i>December 31,</i>	2009	2008
Mutual funds	\$ 7,395,345	\$ 6,898,900
Common collective trust	930,075	-
Participant loans receivable	285,165	402,416

<i>Year ended December 31,</i>	2009
Net appreciation in fair value of investments	\$ 1,434,913
Dividend income	135,959
Interest income from participant loans	27,863

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and the supplemental schedule.

4. Investments

The following presents investments at December 31, 2009 and 2008 that represent 5% or more of the Plan's net assets:

Arc Machines, Inc. 401(k) Savings Plan

Notes to Financial Statements

estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. In cases where there is limited activity or less transparency around inputs to the valuation, investment securities are classified within Level 3 of the valuation hierarchy.

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

	<i>Investment Assets at Fair Value as of December 31, 2009</i>			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Bond Funds	\$ 1,617,787	\$ -	\$ -	1,617,787
Large Cap Equity Funds	2,271,490	-	-	2,271,490
Mid Cap Equity Funds	206,466	-	-	206,466
Small Cap Equity Funds	1,068,940	-	-	1,068,940
International Funds	693,197	-	-	693,197
Life Cycle Funds	102,795	-	-	102,795
Real Estate Funds	306,758	-	-	306,758
Money Market Funds	1,127,912	-	-	1,127,912
Common collective trust	909,439	20,636	-	930,075
Participant loans receivable	-	285,165	-	285,165
Total investments at fair value	\$ 8,304,784	\$ 305,801	\$ -	\$ 8,610,585

	<i>Investment Assets at Fair Value as of December 31, 2008</i>			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 6,898,900	\$ -	\$ -	\$ 6,898,900
Participant loans receivable	-	402,416	-	402,416
Total investments at fair value	\$ 6,898,900	\$ 402,416	\$ -	\$ 7,301,316

The Plan's investments that are measured at fair value on a recurring basis, such as money market funds, mutual funds, and equity securities are generally classified within Level 1 of the fair value hierarchy. The fair values of these investments are based on quoted market prices in active markets. The Plan also invests in a common collective trust for which the valuation is based on the prorated value of the index fund, which includes underlying publicly-traded investments, as well as short-term investments. Based on the nature of the underlying investments in a common collective trust, this investment asset has been classified as both Level 1 for its publicly-traded investments and Level 2 for its underlying short-term investment value. Participant loans are classified as Level 2 since the loans are issued at prevailing market rate.

6. Related Party Transactions

Certain Plan investments during 2009 and 2008 are shares of mutual funds managed by the Trustee of the Plan's assets. Therefore, transactions in these mutual funds qualify as party-in-interest transactions. The current value of investments managed by the Trustee amounted to approximately \$4,380,834 and \$5,035,462 as of December 31, 2009 and 2008, respectively.

Arc Machines, Inc. 401(k) Savings Plan

Notes to Financial Statements

7. Plan Termination

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

8. Tax Exempt Status

The Plan obtained its latest determination letter on August 9, 2002, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code and accordingly is exempt from income tax.

9. Subsequent Events

Management has evaluated all subsequent events through October 4, 2010, the date on which the financial statements were available to be issued and had determined that there were no subsequent events requiring additional disclosures.

Supplemental Schedule

**Arc Machines, Inc.
401(k) Savings Plan**

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

Employee Identification Number: 95-3010284

Plan Number: 002

Form Number: 5500

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Date	(d) Cost	(e) Current Value
<i>Mutual Funds:</i>				
*	Putnam	Putnam Equity Income Fund	**	\$ 1,511,518
*	Putnam	Putnam Money Market Fund	**	1,127,911
*	Putnam	Putnam US Government Income Trust Fund	**	945,412
	T. Rowe	T. Rowe Price Growth Stock Fund Adviser Share	**	759,972
*	Putnam	Putnam International Equity Fund	**	693,198
	PIMCO	PIMCO Total Return Fund	**	672,375
	Franklin Templeton	Franklin Templeton Small Cap Growth Fund	**	542,336
	Neuberger & Berman	Neuberger & Berman Genesis Trust	**	526,604
	Morgan Stanley	MSIF U.S. Real Estate Portfolio Class B	**	306,758
	Allianz Global Investors	Allianz CCM Mid Cap Fund A Class	**	206,466
*	Putnam	Putnam RetirementReady 2020 Fund	**	24,083
*	Putnam	Putnam RetirementReady 2040 Fund	**	20,845
*	Putnam	Putnam RetirementReady 2030 Fund	**	18,941
*	Putnam	Putnam RetirementReady 2035 Fund	**	13,572
*	Putnam	Putnam RetirementReady 2025 Fund	**	8,791
*	Putnam	Putnam RetirementReady 2015 Fund	**	6,330
*	Putnam	Putnam RetirementReady 2045 Fund	**	5,680
*	Putnam	Putnam RetirementReady 2010 Fund	**	1,979
*	Putnam	Putnam RetirementReady Maturity	**	1,977
*	Putnam	Putnam RetirementReady 2050 Fund Class A	**	597
<i>Total Mutual Funds:</i>			**	7,395,345
*	Common Collective Trust	Putnam S&P 500 Index Fund	**	930,075
*	Participant Loans	Interest rates from 5.25% to 10.25%, with maturity dates through 2014, collateralized by participant accounts	**	285,165
<i>Total Investments:</i>				\$ 8,610,585

* Indicates parties-in-interest to the Plan as defined by ERISA.

** All investments are participant-directed; therefore, disclosure of cost is not required.

The above information was certified by the Custodian as being accurate and complete.

Financial Statements

**Arc Machines, Inc.
401(k) Savings Plan**

Statements of Net Assets Available for Plan Benefits

<i>December 31,</i>	2009	2008
Assets		
Investments, at fair value:		
Mutual funds	\$ 7,395,345	\$ 6,898,900
Common collective trust	930,075	-
Participant loans receivable	285,165	402,416
Total investments	8,610,585	7,301,316
Receivables:		
Employer contributions receivable	217,800	278,564
Total receivables	217,800	278,564
Net assets available for Plan benefits	\$ 8,828,385	\$ 7,579,880

See accompanying independent auditors' report and notes to financial statements.

**Arc Machines, Inc.
401(k) Savings Plan**

Statement of Changes in Net Assets Available for Plan Benefits

<i>Year ended December 31,</i>	<i>2009</i>
Additions	
Investment income:	
Net appreciation in fair value of investments	\$ 1,434,913
Dividend income	135,959
Interest income from participant loans	27,863
Net investment income	1,598,735
Contributions:	
Employer	217,095
Participants	257,358
Rollover	73,375
Total contributions	547,828
Net Additions	2,146,563
Deductions	
Benefits paid to participants and beneficiaries	898,058
Total Deductions	898,058
Net Increase	1,248,505
Net assets available for Plan benefits	
Beginning of year	7,579,880
End of year	\$ 8,828,385

See accompanying independent auditors' report and notes to financial statements.

Arc Machines, Inc. 401(k) Savings Plan

Notes to Financial Statements

1. Description of Plan

Basis of Presentation

The Arc Machines, Inc. 401(k) Savings Plan (the "Plan") is a single-employer plan sponsored by Arc Machines, Inc. (the "Company"). The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution 401(k) plan available to qualifying employees of the Company. At December 31, 2009 and 2008, Mercer Trust Company (the "Custodian") was the Plan's trustee and custodian and Mercer HR Services, LLP was the Plan's record keeper and third party administrator. All contributions are held in accounts maintained by Putnam Investment Company. The Custodian distributes all Plan benefits. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan is administered by certain Board of Directors and Director of Human Resources of the Company, who have the general authority and responsibility to control the operation and administration of the Plan.

Eligibility

All employees who have one month of service and are age 18 or older are eligible to participate in the Plan.

Participant Accounts

Each participant's account is credited with the participant's contribution, an allocation of the Company's discretionary contribution, if any, and an allocation of Plan earnings within the designated specified investment funds. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Contributions

Each year, participants may contribute up to 75 percent of eligible compensation, as defined in the Plan, up to the maximum allowed by law. The Plan allows participants age 50 years and over to make additional salary deferrals (referred to as employee catch-up contributions), subject to legal limits of \$5,500 in 2009. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers several mutual funds as investment options. The Company may make annual contributions at the option of the Company's Board of Directors. It is the Company's intention for the Plan to be a 401(k) safe harbor plan. Under the 401(k) safe harbor rules, all eligible employees are entitled to a Company contribution. For 2009, the Company's discretionary contribution was computed at 3% of each eligible participant's annual compensation subject to certain limitations.

Arc Machines, Inc. 401(k) Savings Plan

Notes to Financial Statements

Vesting

Participants are immediately vested in their contributions and Company contributions, if any, plus actual earnings thereon.

Participant Loans Receivable

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. Loan terms range from one to five years. The loans are secured by the balance in the participant's account and bear interest at the rate of prime plus 2% per annum. Principal and interest are paid ratably through weekly payroll deductions. At December 31, 2009 and 2008, participant loans mature on various dates through 2014 and bear interest at rates ranging from 5.25% to 10.25%.

Payment of Benefits

Within 90 days of termination of service, due to death, disability or retirement, a participant may elect to receive a lump-sum payment, an annuity, or installments over time. For termination of service due to other reasons, a participant may elect to receive a lump-sum distribution, transfer the vested balance to an individual retirement account or a qualified employer plan, or leave the vested balance in the Plan.

Hardship Withdrawal

A participant may be permitted to withdraw a portion or all of the balance of their individual account that is attributable to the participant's tax-deferred compensation (without earnings) for the reasons specified by and to the extent permitted under regulations issued by the Internal Revenue Service.

Administrative Expenses

Non-investment costs and administrative expenses of the Plan are paid by the Company which is a party-in-interest. These expenses, which are appropriately not reflected in the accompanying financial statements, constitute exempt party-in-interest transactions under ERISA. Most investment service fees are paid by the Plan and are offset against the related investment income.

2. Summary of Significant Accounting Policies

Basis of Accounting

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

As described in the Plan Accounting—Defined Contribution Pension Plans topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("Codification"), investment contracts held by a defined-contribution plan are required to be reported at fair value.

Arc Machines, Inc. 401(k) Savings Plan

Notes to Financial Statements

However, contract value is the relevant measurement attribute for that portion of the net assets available for plan benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

The Plan invests in the Putnam Standard & Poor ("S&P") 500 Index Fund which constitutes individual funds similar to that of a mutual fund investment. The fair value for each fund may be directly observable in the publicly-traded market. The value of this index fund, otherwise known as the common collective trust, is indexed to the fair value of the funds and as such, no contract value exists. The Statement of Changes in Net Assets Available for Plan Benefits is prepared on the fair value basis.

Use of Estimates

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

Impact of Recently Issued Accounting Pronouncements

In September 2009, the FASB issued guidance which provides a practical expedient for measuring the fair values of Plan investments in a limited number of entities that calculate a net asset value per share (such as hedge funds, private equity funds, funds of funds, certain collective trusts and pooled separate accounts). This guidance also provides enhanced disclosure requirements, and it became effective for plan reporting periods ending after December 15, 2009. The adoption of the guidance resulted in additional disclosures which are presented in Note 5.

In May 2009, the FASB issued guidance which set forth the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements, and the disclosures that an entity should make about events or transactions that occur after the balance sheet date. The adoption of these changes did not have a material impact to the financial statements of the Plan.

In April 2009, the FASB issued guidance that emphasizes that the objective of a fair value measurement does not change even when market activity for the asset or liability has decreased significantly. Fair value is the price that would be received for an asset sold or paid to transfer a liability in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. When observable transactions or quoted prices are not considered orderly, then little, if any, weight should be assigned to the indication of the asset or liability's fair value. Adjustments to those transactions or prices should be applied to determine the appropriate fair value. The standard also requires increased disclosures. The adoption of the guidance resulted in additional disclosures which are presented in Note 5.

Arc Machines, Inc.
401(k) Savings Plan

Notes to Financial Statements

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year end. Participant loans are valued at their outstanding loan balances, which approximate fair value. Shares of the common collective trust ("CCT") are valued at net unit value as determined by the trustee at year end. The fair value of such units held by the CCT is determined using the market price of the underlying securities.

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

The Plan's trustee certified the fair market value of the common collective trust as \$930,075 at December 31, 2009.

Net Appreciation (Depreciation) in Fair Value of Investments

Realized and unrealized appreciation (depreciation) in the fair value of investments is based on the difference between the fair value of the assets at the beginning of the year, or at the time of purchase for assets purchased during the year, and the related fair value on the day investments are sold with respect to realized appreciation (depreciation), or on the last day of the year for unrealized appreciation (depreciation).

Realized and unrealized appreciation (depreciation) is recorded in the accompanying Statement of Changes in Net Assets Available for Plan Benefits as net appreciation in fair value of investments.

Payment of Benefits

Benefits are recorded when paid.

Risks and Uncertainties

The Plan provides for various investment options in mutual funds that invest in investment securities. Investment securities are exposed to various risks such as interest rate, credit and overall market volatility. 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 at, least reasonably possible that changes in risk 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.

The Plan invests in securities of foreign companies, which involve special risks and considerations not typically associated with investing in U.S. companies. These risks include devaluation of currencies, less reliable information about issuers, different securities transaction clearance and settlement practices, and possible adverse political and economic developments. Moreover, securities of many foreign companies and their markets may be less liquid and their prices more volatile than securities of comparable U.S. companies.

**Arc Machines, Inc.
401(k) Savings Plan**

Notes to Financial Statements

Subsequent Events

In May 2009, the FASB issued new accounting guidance on subsequent events. The new accounting guidance requires that management evaluate events and transactions that may occur for potential recognition or disclosure in the financial statements after the balance sheet date through the date the financial statements are issued or available to be issued and determines the circumstances under which such events or transactions must be recognized in the financial statements. The Plan adopted the new accounting guidance during the year ended December 31, 2009. The adoption of the new accounting guidance did not have an effect on the Plan's financial statements.

3. Information Prepared and Certified by Trustee

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Trustee, Mercer Trust Company, has certified that the following data included in the accompanying financial statements and supplemental schedule are complete and accurate.

<i>December 31,</i>	2009	2008
Mutual funds	\$ 7,395,345	\$ 6,898,900
Common collective trust	930,075	-
Participant loans receivable	285,165	402,416

<i>Year ended December 31,</i>	2009
Net appreciation in fair value of investments	\$ 1,434,913
Dividend income	135,959
Interest income from participant loans	27,863

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and the supplemental schedule.

4. Investments

The following presents investments at December 31, 2009 and 2008 that represent 5% or more of the Plan's net assets:

Arc Machines, Inc. 401(k) Savings Plan

Notes to Financial Statements

	2009	2008
Putnam Equity Income Fund	\$ 1,511,518	\$ 1,071,013
Putnam Money Market Fund	1,127,911	1,406,806
Putnam U.S. Government Income Trust Fund	945,412	773,770
Common collective trust	930,075	-
T. Rowe Price Growth Stock Fund Adviser Share	759,972	526,501
Putnam International Equity Fund	693,198	*
PIMCO Total Return Fund	672,375	410,802
Franklin Templeton Small Cap Growth Fund	542,336	*
Neuberger & Berman Genesis Trust	526,604	399,460
Putnam Research Fund	*	492,288
Putnam Global Equity Fund	*	462,584
Participant loans	*	402,416

** Represents less than 5% of net assets available for Plan benefits in the respective year.*

Net appreciation in fair value of investments, on the Statement of Changes in Net Assets Available for Benefits, consists of net appreciation in fair value of the mutual funds and common collective trusts in the amount of \$1,185,990 and \$248,923, respectively.

5. Fair Value Measurements

The Codification establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under the Codification are described as follows:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. An active market for the asset or liability is a market in which the transaction for the asset or liability occurs with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - Observable inputs other than Level 1 prices such as quoted price for similar assets or liabilities; quoted market prices in markets that are active; or model-derived valuations or other inputs that are observable or can be corroborated by observable market data for substantially the full terms of the assets or liabilities.

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

An asset's fair value measurement within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. Where quoted prices are available in an active market for identical instruments, investment securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are

Arc Machines, Inc. 401(k) Savings Plan

Notes to Financial Statements

estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. In cases where there is limited activity or less transparency around inputs to the valuation, investment securities are classified within Level 3 of the valuation hierarchy.

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

<i>Investment Assets at Fair Value as of December 31, 2009</i>				
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Bond Funds	\$ 1,617,787	\$ -	\$ -	1,617,787
Large Cap Equity Funds	2,271,490	-	-	2,271,490
Mid Cap Equity Funds	206,466	-	-	206,466
Small Cap Equity Funds	1,068,940	-	-	1,068,940
International Funds	693,197	-	-	693,197
Life Cycle Funds	102,795	-	-	102,795
Real Estate Funds	306,758	-	-	306,758
Money Market Funds	1,127,912	-	-	1,127,912
Common collective trust	909,439	20,636	-	930,075
Participant loans receivable	-	285,165	-	285,165
Total investments at fair value	\$ 8,304,784	\$ 305,801	\$ -	\$ 8,610,585

<i>Investment Assets at Fair Value as of December 31, 2008</i>				
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 6,898,900	\$ -	\$ -	\$ 6,898,900
Participant loans receivable	-	402,416	-	402,416
Total investments at fair value	\$ 6,898,900	\$ 402,416	\$ -	\$ 7,301,316

The Plan's investments that are measured at fair value on a recurring basis, such as money market funds, mutual funds, and equity securities are generally classified within Level 1 of the fair value hierarchy. The fair values of these investments are based on quoted market prices in active markets. The Plan also invests in a common collective trust for which the valuation is based on the prorated value of the index fund, which includes underlying publicly-traded investments, as well as short-term investments. Based on the nature of the underlying investments in a common collective trust, this investment asset has been classified as both Level 1 for its publicly-traded investments and Level 2 for its underlying short-term investment value. Participant loans are classified as Level 2 since the loans are issued at prevailing market rate.

6. Related Party Transactions

Certain Plan investments during 2009 and 2008 are shares of mutual funds managed by the Trustee of the Plan's assets. Therefore, transactions in these mutual funds qualify as party-in-interest transactions. The current value of investments managed by the Trustee amounted to approximately \$4,380,834 and \$5,035,462 as of December 31, 2009 and 2008, respectively.

**Arc Machines, Inc.
401(k) Savings Plan**

Notes to Financial Statements

7. Plan Termination

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

8. Tax Exempt Status

The Plan obtained its latest determination letter on August 9, 2002, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code and accordingly is exempt from income tax.

9. Subsequent Events

Management has evaluated all subsequent events through October 4, 2010, the date on which the financial statements were available to be issued and had determined that there were no subsequent events requiring additional disclosures.

Attachment to 2009 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name ARC MACHINES, INC. 401 (K) SAVINGS PLAN

EIN: 95-3010284

Plan Sponsor's Name ARC MACHINES, INC.

PN: 002

(a)	(b) Identity of issue, 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
	NEUBERGER BERMAN GENESIS TR	MUTUAL FUND		526,604
	MSIF US REAL ESTATE PORT	MUTUAL FUND		306,758
	ALLIANZ CCM MID CAP FUND	MUTUAL FUND		206,466
	PIMCO TOTAL RETURN FUND	MUTUAL FUND		672,375
	T.ROWE PRICE GRWTH STCK FD	MUTUAL FUND		759,972
	FRANKLIN TEMPLETON SMALL CP	MUTUAL FUND		542,336
	PUTNAM S & P 500 INDEX FUND	COMMON/COLLECTIVE TRUST		930,075

Attachment to 2009 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name ARC MACHINES, INC. 401 (K) SAVINGS PLAN

EIN: 95-3010284

Plan Sponsor's Name ARC MACHINES, INC.

PN: 002

(a)	(b) Identity of issue, 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
	PUTNAM INT'L EQUITY FUND	MUTUAL FUND		693,198
	LOAN FUND	PARTICIPANT LOANS		285,165
	PUTNAM MONEY MARKET FUND	MUTUAL FUND		1,127,911
	PUTNAM EQUITY INCOME FUND	MUTUAL FUND		1,511,518
	PUTNAM US GOVT INCOME TRUST	MUTUAL FUND		945,412
	PUTNAM RETIREREADY MATURITY	MUTUAL FUND		1,977
	PUTNAM RETIREREADY 2010 FD	MUTUAL FUND		1,979

Attachment to 2009 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name ARC MACHINES, INC. 401 (K) SAVINGS PLAN

EIN: 95-3010284

Plan Sponsor's Name ARC MACHINES, INC.

PN: 002

(a)	(b) Identity of issue, 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
	PUTNAM RETIREREADY 2015 FD	MUTUAL FUND		6,330
	PUTNAM RETIREREADY 2020 FD	MUTUAL FUND		24,083
	PUTNAM RETIREREADY 2025 FD	MUTUAL FUND		8,791
	PUTNAM RETIREREADY 2030 FD	MUTUAL FUND		18,941
	PUTNAM RETIREREADY 2035 FD	MUTUAL FUND		13,573
	PUTNAM RETIREREADY 2040 FD	MUTUAL FUND		20,845
	PUTNAM RETIREREADY 2045 FD	MUTUAL FUND		5,679

Plan Name	ARC MACHINES, INC. 401 (K) SAVINGS PLAN	EIN:	95-3010284
Plan Sponsor's Name	ARC MACHINES, INC.	PN:	002

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