

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

Part II	Basic Plan Information —enter all requested information
1a Name of plan GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN	1b Three-digit plan number (PN) ▶ 002
	1c Effective date of plan 01/01/1995
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) KLEINFELDER EAST INC. 5015 SHOREHAM PLACE SAN DIEGO, CA 92122	2b Employer Identification Number (EIN) 27-0123832 2c Sponsor's telephone number 510-628-9000 2d Business code (see instructions) 541330

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.	10/13/2010	KERRY RUEBELMANN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") KLEINFELDER EAST INC. 5015 SHOREHAM PLACE SAN DIEGO, CA 92122	3b Administrator's EIN 27-0123832 3c Administrator's telephone number 510-628-9000
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	209
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	0
b Retired or separated participants receiving benefits.....	6b	
c Other retired or separated participants entitled to future benefits.....	6c	
d Subtotal. Add lines 6a , 6b , and 6c	6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	
f Total. Add lines 6d and 6e	6f	0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 20 2E

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 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 GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 KLEINFELDER EAST INC.	D Employer Identification Number (EIN) 27-0123832	

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)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	21	
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)	18728	0
(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)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(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)	7124672	
(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	7143421	0

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	7143421	
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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)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	34	
(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)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		34

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	23373	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		23373

(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)	-137710	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		-137710
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		-114303

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2399804	
(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)		2399804
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(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		2399804

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-2514107
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		4629314

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: GREENBERG, ROSENBLATT, KULL & BITSOLI

(2) EIN: 04-2687094

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		1000000
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.			

- 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)
THE KLEINFELDER GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN	68-0053138	001

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

A Name of plan GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 KLEINFELDER EAST INC.	D Employer Identification Number (EIN) 27-0123832

Part I	Distributions
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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	0
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): 37-1380386		
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)
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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
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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
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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.
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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): _____

GEOLOGIC SERVICES CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

GEOLOGIC SERVICES CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

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DECEMBER 31, 2009 AND 2008

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Greenberg, Rosenblatt, Kull & Bitsoli, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Trustee
Geologic Services Corporation Employee Stock Ownership Plan
Littleton, Massachusetts

We have audited the accompanying statements of net assets available for benefits of Geologic Services Corporation Employee Stock Ownership Plan (the Plan) as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Geologic Services Corporation Employee Stock Ownership Plan as of December 31, 2009 and 2008, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Reportable Transactions for the year ended December 31, 2009 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplemental information required by the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Greenberg, Rosenblatt, Kull & Bitsoli, P.C.
GREENBERG, ROSENBLATT, KULL & BITSOLI, P.C.

Worcester, Massachusetts
October 8, 2010

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31,

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
Investment in Sponsor company common stock at estimated fair value	\$ -	\$ 7,124,672
Interest receivable	-	21
Cash equivalent	<u>-</u>	<u>18,728</u>
Net assets available for benefits	<u>\$ -</u>	<u>\$ 7,143,421</u>

The accompanying notes are an integral part of the financial statements

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31,

	<u>2009</u>	<u>2008</u>
Additions to net assets attributed to:		
Net appreciation (depreciation) in estimated fair value of Sponsor company common stock	\$ (137,710)	\$ 211,559
Dividend and interest income	<u>23,407</u>	<u>479</u>
Total additions	<u>(114,303)</u>	<u>212,038</u>
Deductions from net assets attributed to:		
Benefits paid to participants	2,399,804	-
Transfer to qualified employee stock ownership plan	<u>4,629,314</u>	<u>-</u>
Total deductions	<u>7,029,118</u>	<u>-</u>
Net increase (decrease)	(7,143,421)	212,038
Net assets available for benefits:		
Beginning of year	<u>7,143,421</u>	<u>6,931,383</u>
End of year	<u>\$ -</u>	<u>\$ 7,143,421</u>

The accompanying notes are an integral part of the financial statements

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

(1) DESCRIPTION OF PLAN

The following summary description of Geologic Services Corporation Employee Stock Ownership Plan (the Plan) is provided for general information purposes only. Participants should refer to the plan agreement for more complete information.

Background and Significant Amendments and Transactions:

The Plan, established in 1995 by Geologic Services Corporation (GSC), is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Subsequent to July 27, 2008, the end of a three-year survival period pursuant to a transaction (the Transaction) under which GSC sold substantially all of its assets to Kleinfelder East, Inc. (TKG-East), a wholly-owned subsidiary of The Kleinfelder Group, Inc. (TKG), TKG-East replaced GSC as the Plan's sponsor (collectively "the Sponsor").

In December 2008, the Plan received 237,965 shares of TKG common stock valued at \$29.94 per share from the liquidation of GSC. The fair value per share of the TKG stock was determined by independent appraisal as of March 31, 2008 for the purpose of The Kleinfelder Group, Inc. Employee Stock Ownership Plan (TKG ESOP). In 2009, cash of approximately \$23,000, representing the final liquidating dividend from GSC, was received by the Plan and is included in dividend and interest income.

In early 2009, in accordance with the original intent of the Transaction, participants no longer employed by TKG-East received the value of their account balances totaling approximately \$2,400,000. Participants could elect to receive their distributions in the form of a lump sum or direct rollover into an individual retirement account or other qualified plan. Any cash in participants' accounts was distributed and TKG issued promissory notes for the fair value of the TKG stock. The notes provided for five equal installments with the first installment due on the date of the note and then four annual installments. Interest on the notes was fixed at 1.94%, based on the Applicable Federal Rate at the date of the note.

In addition, effective December 31, 2009, the Plan was merged into the TKG ESOP. In connection with the merger, participants' account balances remaining in the Plan, comprised of 158,287 shares of TKG common stock with a fair value of approximately \$4,601,000 and cash of approximately \$28,000, transferred to the TKG ESOP.

Prior to July 27, 2005, the date of the Transaction, the Plan was operating primarily as a leveraged employee stock ownership plan (ESOP) designed to comply with Section 4975(e)(7), and the regulations there under, of the Internal Revenue Code (the Code). In connection with the Transaction, the Plan was amended (the Amendment) and GSC purchased all of the unallocated shares of GSC stock that secured the ESOP loan and a portion of the shares allocated to participants' accounts from the Plan with proceeds from the Transaction of \$8,262,000. The outstanding balance of the ESOP loan was repaid and the remaining proceeds of \$4,900,000 allocated to participants' accounts. Participants became fully vested in all their account balances and the cash portion of their accounts were transferred to a qualified profit sharing plan adopted by GSC and distributed to the participants.

The Amendment also prohibited future contributions to the Plan, additional employees from entering the Plan and, during the survival period, allocations of TKG stock to participants' accounts, and distributions from the Plan, except in the event of a participant reaching normal retirement age.

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

(1) DESCRIPTION OF PLAN (Continued)

Other Plan Provisions:

Participant Accounts:

Participants' vested balances were maintained in separate individual accounts. Any allocations to participants' accounts subsequent to the transaction were based on the number of shares or balances in individual participant's accounts.

Payment of Benefits:

In the event of retirement, death or other termination (subject to the limitations per the Amendment), participants generally received lump sum distributions of cash.

Put Option:

The Sponsor's stock held by the Plan and its participants was not readily traded on an established market and, therefore, included a put option as required under Federal income tax regulations. The put option gave participants the right to demand that the Sponsor buy shares of its stock received in a distribution. The put price was representative of the fair value of the stock. The stock could be purchased with interest over a period of five years.

Voting Rights:

In 2008, a committee established by TKG's Board of Directors (the Committee) assumed administration of the Plan. GreatBanc Trust Company, the Trustee through the date of merger into the TKG ESOP, is an outside institutional trustee appointed by the Plan.

The Trustee voted all shares of the Sponsor's stock in accordance with instructions from the Committee. However, participants could direct the voting attributable to the shares allocated to their accounts with respect to certain specified transactions requiring shareholder approval.

Diversification:

Participants at least age 55 that participated in the Plan for at least 10 years could elect to move a portion of the value of their investment in the Sponsor's stock into more diversified investments over a six-year period. The Plan normally made cash distributions to participants for amounts eligible for diversification. Participants could direct the Plan to transfer such distributions to another qualified plan that had employee-directed investments and that did not invest in employer securities.

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of New Accounting Standards:

In June 2009, the Financial Accounting Standards Board (FASB) issued authoritative guidance that defines the new hierarchy for U.S. generally accepted accounting principles (GAAP) and explains how the FASB will use its Accounting Standards Codification (ASC) as the sole source for all authoritative accounting principles (other than Securities and Exchange Commission guidance for publicly-traded companies). This guidance was effective for reporting periods ending after September 15, 2009. As a result of the adoption of this guidance, references to U.S. accounting standards have changed. This adoption had no impact on the Plan's net assets available for benefits or results of changes in net assets available for benefits.

The Plan also adopted new guidance, included in FASB ASC 855, *Subsequent Events*, that sets forth the period after the date of the statement of net assets available for benefits during which those charged with governance of the Plan must evaluate events or transactions occurring for potential recognition or disclosure in the financial statements. This guidance describes the circumstances under which such events or transactions require recognition and/or disclosures in the financial statements.

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition:

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 6 for further discussion of fair value measurements.

Interest income was recognized on the accrual basis. Dividend income was accrued on the ex-dividend date. Purchases and sales of stock were recorded on a trade-date basis.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein in the financial statements and accompanying notes. Actual results could differ from these estimates.

Subsequent Events:

The Plan has evaluated subsequent events through October 8, 2010 the date these financial statements were available to be issued, and noted that there were no events or transactions to recognize or disclose.

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

(3) TAX STATUS

The Internal Revenue Service had determined and informed GSC by letter dated April 25, 2001, that the Plan was qualified and the trust established under the Plan tax-exempt, under the appropriate sections of the Code. The Plan has been amended since receiving the determination letter. However, the Sponsor believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code.

(4) ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consisted principally of TKG common stock in 2009 and 2008, were held by the Trustee of the Plan. The Trustee also invested cash received and made distributions to participants. Certain administrative functions were also performed by officers and employees of GSC, TKG and TKG- East. No Trustee, employee or officer of GSC, TKG or TKG-East received compensation from the Plan in 2009 or 2008.

Administrative expenses have generally been paid directly by TKG since the date of the Transaction and GSC, TKG and TKG-East provided the Plan with management services at no cost.

(5) INVESTMENT

The Plan's investment in the TKG common stock at December 31 is as follows:

	<u>2009</u>	<u>2008</u>
<u>Common Shares of Company Stock</u>	<u>The Kleinfelder Group, Inc.</u>	<u>The Kleinfelder Group, Inc.</u>
Estimated fair value, as determined by independent appraisers	\$ -	\$ 7,124,672
Cost	\$ -	\$ 1,051,652
Number of shares	-	237,965.000

Net appreciation (depreciation) in fair value in the statements of changes in net assets was attributable to the investment in the stock in 2009 and 2008. In 2009, the depreciation in fair value was attributable to the adjustment of the fair value of the shares of TKG stock transferred to the TKG ESOP (Note 6). In 2008, the net appreciation represents the difference in the estimated fair value of TKG stock received from the liquidation of GSC and the estimated fair value of GSC's stock as of December 31, 2007. TKG stock received by GSC in the Transaction represented the majority of the estimated fair value of GSC's stock from the date of the Transaction through liquidation of GSC.

Accordingly, the Plan's investment risk has been directly related to TKG's continued success.

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

(6) FAIR VALUE MEASUREMENTS

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

Basis of (inputs to) fair value measurements include:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 Quoted prices in active markets for similar assets or liabilities; quoted market prices in inactive markets for identical or similar assets or liabilities; and, prices for other financial instruments or other correlated market data that are observable, either directly or indirectly.
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

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

TKG's common stock was valued at estimated fair value determined by annual independent appraisals. The appraisals were based upon a combination of market and income valuation techniques with discounts for minority interests and non marketability. The appraisals took into consideration historical and projected cash flows and net income, return on equity, market comparables and the estimated fair value of company assets and liabilities.

There were no changes in the valuation methodologies used to determine the fair value of TKG's stock as reported at December 31, 2009 and 2008 other than the appraisal date used. The Committee chose to have a special valuation appraisal performed as of December 31, 2009 for use in the final transfer of stock to the TKG ESOP. The annual valuation appraisal for the TKG ESOP's fiscal year ended March 31, 2008 was the basis for the fair value as of December 31, 2008 and the basis for the fair value used in distributions in early 2009. Therefore, there was no appreciation or depreciation in fair value related to the 2009 distributions (Note 5). An annual appraisal as of December 31, 2008 reflected a slightly lower fair value. The methodologies used may produce a fair value calculation that may not be indicative of net realizable value or future fair value. In addition, the Plan believes that these methods are appropriate and consistent with other market participants. However, use of different methods or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement.

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

(6) FAIR VALUE MEASUREMENTS (Continued)

TKG common stock is presented at estimated fair value using level 3 measurements (a level 3 investment asset), within the fair value hierarchy as established by FASB ASC 820 at December 31, 2009 and 2008.

Changes in the fair value of TKG stock for the years ended December 31 are as follows:

	<u>2009</u>	<u>2008</u>
Beginning balance	\$ 7,124,672	\$ -
Depreciation in fair value	(137,710)	-
Exchange	-	7,124,672
Transfers and settlements	<u>(6,986,962)</u>	<u>-</u>
Ending balance	<u>\$ -</u>	<u>\$ 7,124,672</u>

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
YEAR ENDED DECEMBER 31, 2009

EIN 27-0123832
Plan Number 002
Schedule H, Line 4j

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
<u>Identity of Party Involved</u>	<u>Description of Asset</u>	<u>Purchase Price</u>	<u>Selling Price</u>	<u>Lease Rental</u>	<u>Expense Incurred with Transaction</u>	<u>Cost of Asset</u>	<u>Current Value of Asset on Transaction Date</u>	<u>Net Gain or (Loss)</u>
The Kleinfelder Group, Inc.	The Kleinfelder Group, Inc., 79,677.76 shares of common stock	\$ 2,385,552	\$ -	\$ -	\$ -	\$ 352,022	\$ 2,385,552	\$ -

See independent auditors' report

GEOLOGIC SERVICES CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

GEOLOGIC SERVICES CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

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Greenberg, Rosenblatt, Kull & Bitsoli, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Trustee
Geologic Services Corporation Employee Stock Ownership Plan
Littleton, Massachusetts

We have audited the accompanying statements of net assets available for benefits of Geologic Services Corporation Employee Stock Ownership Plan (the Plan) as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Geologic Services Corporation Employee Stock Ownership Plan as of December 31, 2009 and 2008, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Reportable Transactions for the year ended December 31, 2009 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplemental information required by the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Greenberg, Rosenblatt, Kull & Bitsoli, P.C.
GREENBERG, ROSENBLATT, KULL & BITSOLI, P.C.

Worcester, Massachusetts
October 8, 2010

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31,

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
Investment in Sponsor company common stock at estimated fair value	\$ -	\$ 7,124,672
Interest receivable	-	21
Cash equivalent	<u>-</u>	<u>18,728</u>
Net assets available for benefits	<u>\$ -</u>	<u>\$ 7,143,421</u>

The accompanying notes are an integral part of the financial statements

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31,

	<u>2009</u>	<u>2008</u>
Additions to net assets attributed to:		
Net appreciation (depreciation) in estimated fair value of Sponsor company common stock	\$ (137,710)	\$ 211,559
Dividend and interest income	<u>23,407</u>	<u>479</u>
Total additions	<u>(114,303)</u>	<u>212,038</u>
Deductions from net assets attributed to:		
Benefits paid to participants	2,399,804	-
Transfer to qualified employee stock ownership plan	<u>4,629,314</u>	<u>-</u>
Total deductions	<u>7,029,118</u>	<u>-</u>
Net increase (decrease)	(7,143,421)	212,038
Net assets available for benefits:		
Beginning of year	<u>7,143,421</u>	<u>6,931,383</u>
End of year	<u>\$ -</u>	<u>\$ 7,143,421</u>

The accompanying notes are an integral part of the financial statements

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

(1) DESCRIPTION OF PLAN

The following summary description of Geologic Services Corporation Employee Stock Ownership Plan (the Plan) is provided for general information purposes only. Participants should refer to the plan agreement for more complete information.

Background and Significant Amendments and Transactions:

The Plan, established in 1995 by Geologic Services Corporation (GSC), is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Subsequent to July 27, 2008, the end of a three-year survival period pursuant to a transaction (the Transaction) under which GSC sold substantially all of its assets to Kleinfelder East, Inc. (TKG-East), a wholly-owned subsidiary of The Kleinfelder Group, Inc. (TKG), TKG-East replaced GSC as the Plan's sponsor (collectively "the Sponsor").

In December 2008, the Plan received 237,965 shares of TKG common stock valued at \$29.94 per share from the liquidation of GSC. The fair value per share of the TKG stock was determined by independent appraisal as of March 31, 2008 for the purpose of The Kleinfelder Group, Inc. Employee Stock Ownership Plan (TKG ESOP). In 2009, cash of approximately \$23,000, representing the final liquidating dividend from GSC, was received by the Plan and is included in dividend and interest income.

In early 2009, in accordance with the original intent of the Transaction, participants no longer employed by TKG-East received the value of their account balances totaling approximately \$2,400,000. Participants could elect to receive their distributions in the form of a lump sum or direct rollover into an individual retirement account or other qualified plan. Any cash in participants' accounts was distributed and TKG issued promissory notes for the fair value of the TKG stock. The notes provided for five equal installments with the first installment due on the date of the note and then four annual installments. Interest on the notes was fixed at 1.94%, based on the Applicable Federal Rate at the date of the note.

In addition, effective December 31, 2009, the Plan was merged into the TKG ESOP. In connection with the merger, participants' account balances remaining in the Plan, comprised of 158,287 shares of TKG common stock with a fair value of approximately \$4,601,000 and cash of approximately \$28,000, transferred to the TKG ESOP.

Prior to July 27, 2005, the date of the Transaction, the Plan was operating primarily as a leveraged employee stock ownership plan (ESOP) designed to comply with Section 4975(e)(7), and the regulations there under, of the Internal Revenue Code (the Code). In connection with the Transaction, the Plan was amended (the Amendment) and GSC purchased all of the unallocated shares of GSC stock that secured the ESOP loan and a portion of the shares allocated to participants' accounts from the Plan with proceeds from the Transaction of \$8,262,000. The outstanding balance of the ESOP loan was repaid and the remaining proceeds of \$4,900,000 allocated to participants' accounts. Participants became fully vested in all their account balances and the cash portion of their accounts were transferred to a qualified profit sharing plan adopted by GSC and distributed to the participants.

The Amendment also prohibited future contributions to the Plan, additional employees from entering the Plan and, during the survival period, allocations of TKG stock to participants' accounts, and distributions from the Plan, except in the event of a participant reaching normal retirement age.

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

(1) DESCRIPTION OF PLAN (Continued)

Other Plan Provisions:

Participant Accounts:

Participants' vested balances were maintained in separate individual accounts. Any allocations to participants' accounts subsequent to the transaction were based on the number of shares or balances in individual participant's accounts.

Payment of Benefits:

In the event of retirement, death or other termination (subject to the limitations per the Amendment), participants generally received lump sum distributions of cash.

Put Option:

The Sponsor's stock held by the Plan and its participants was not readily traded on an established market and, therefore, included a put option as required under Federal income tax regulations. The put option gave participants the right to demand that the Sponsor buy shares of its stock received in a distribution. The put price was representative of the fair value of the stock. The stock could be purchased with interest over a period of five years.

Voting Rights:

In 2008, a committee established by TKG's Board of Directors (the Committee) assumed administration of the Plan. GreatBanc Trust Company, the Trustee through the date of merger into the TKG ESOP, is an outside institutional trustee appointed by the Plan.

The Trustee voted all shares of the Sponsor's stock in accordance with instructions from the Committee. However, participants could direct the voting attributable to the shares allocated to their accounts with respect to certain specified transactions requiring shareholder approval.

Diversification:

Participants at least age 55 that participated in the Plan for at least 10 years could elect to move a portion of the value of their investment in the Sponsor's stock into more diversified investments over a six-year period. The Plan normally made cash distributions to participants for amounts eligible for diversification. Participants could direct the Plan to transfer such distributions to another qualified plan that had employee-directed investments and that did not invest in employer securities.

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of New Accounting Standards:

In June 2009, the Financial Accounting Standards Board (FASB) issued authoritative guidance that defines the new hierarchy for U.S. generally accepted accounting principles (GAAP) and explains how the FASB will use its Accounting Standards Codification (ASC) as the sole source for all authoritative accounting principles (other than Securities and Exchange Commission guidance for publicly-traded companies). This guidance was effective for reporting periods ending after September 15, 2009. As a result of the adoption of this guidance, references to U.S. accounting standards have changed. This adoption had no impact on the Plan's net assets available for benefits or results of changes in net assets available for benefits.

The Plan also adopted new guidance, included in FASB ASC 855, *Subsequent Events*, that sets forth the period after the date of the statement of net assets available for benefits during which those charged with governance of the Plan must evaluate events or transactions occurring for potential recognition or disclosure in the financial statements. This guidance describes the circumstances under which such events or transactions require recognition and/or disclosures in the financial statements.

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition:

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 6 for further discussion of fair value measurements.

Interest income was recognized on the accrual basis. Dividend income was accrued on the ex-dividend date. Purchases and sales of stock were recorded on a trade-date basis.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein in the financial statements and accompanying notes. Actual results could differ from these estimates.

Subsequent Events:

The Plan has evaluated subsequent events through October 8, 2010 the date these financial statements were available to be issued, and noted that there were no events or transactions to recognize or disclose.

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

(3) TAX STATUS

The Internal Revenue Service had determined and informed GSC by letter dated April 25, 2001, that the Plan was qualified and the trust established under the Plan tax-exempt, under the appropriate sections of the Code. The Plan has been amended since receiving the determination letter. However, the Sponsor believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code.

(4) ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consisted principally of TKG common stock in 2009 and 2008, were held by the Trustee of the Plan. The Trustee also invested cash received and made distributions to participants. Certain administrative functions were also performed by officers and employees of GSC, TKG and TKG- East. No Trustee, employee or officer of GSC, TKG or TKG-East received compensation from the Plan in 2009 or 2008.

Administrative expenses have generally been paid directly by TKG since the date of the Transaction and GSC, TKG and TKG-East provided the Plan with management services at no cost.

(5) INVESTMENT

The Plan's investment in the TKG common stock at December 31 is as follows:

	<u>2009</u>	<u>2008</u>
<u>Common Shares of Company Stock</u>	<u>The Kleinfelder Group, Inc.</u>	<u>The Kleinfelder Group, Inc.</u>
Estimated fair value, as determined by independent appraisers	\$ -	\$ 7,124,672
Cost	\$ -	\$ 1,051,652
Number of shares	-	237,965.000

Net appreciation (depreciation) in fair value in the statements of changes in net assets was attributable to the investment in the stock in 2009 and 2008. In 2009, the depreciation in fair value was attributable to the adjustment of the fair value of the shares of TKG stock transferred to the TKG ESOP (Note 6). In 2008, the net appreciation represents the difference in the estimated fair value of TKG stock received from the liquidation of GSC and the estimated fair value of GSC's stock as of December 31, 2007. TKG stock received by GSC in the Transaction represented the majority of the estimated fair value of GSC's stock from the date of the Transaction through liquidation of GSC.

Accordingly, the Plan's investment risk has been directly related to TKG's continued success.

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

(6) FAIR VALUE MEASUREMENTS

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

Basis of (inputs to) fair value measurements include:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 Quoted prices in active markets for similar assets or liabilities; quoted market prices in inactive markets for identical or similar assets or liabilities; and, prices for other financial instruments or other correlated market data that are observable, either directly or indirectly.
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

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

TKG's common stock was valued at estimated fair value determined by annual independent appraisals. The appraisals were based upon a combination of market and income valuation techniques with discounts for minority interests and non marketability. The appraisals took into consideration historical and projected cash flows and net income, return on equity, market comparables and the estimated fair value of company assets and liabilities.

There were no changes in the valuation methodologies used to determine the fair value of TKG's stock as reported at December 31, 2009 and 2008 other than the appraisal date used. The Committee chose to have a special valuation appraisal performed as of December 31, 2009 for use in the final transfer of stock to the TKG ESOP. The annual valuation appraisal for the TKG ESOP's fiscal year ended March 31, 2008 was the basis for the fair value as of December 31, 2008 and the basis for the fair value used in distributions in early 2009. Therefore, there was no appreciation or depreciation in fair value related to the 2009 distributions (Note 5). An annual appraisal as of December 31, 2008 reflected a slightly lower fair value. The methodologies used may produce a fair value calculation that may not be indicative of net realizable value or future fair value. In addition, the Plan believes that these methods are appropriate and consistent with other market participants. However, use of different methods or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement.

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

(6) FAIR VALUE MEASUREMENTS (Continued)

TKG common stock is presented at estimated fair value using level 3 measurements (a level 3 investment asset), within the fair value hierarchy as established by FASB ASC 820 at December 31, 2009 and 2008.

Changes in the fair value of TKG stock for the years ended December 31 are as follows:

	<u>2009</u>	<u>2008</u>
Beginning balance	\$ 7,124,672	\$ -
Depreciation in fair value	(137,710)	-
Exchange	-	7,124,672
Transfers and settlements	<u>(6,986,962)</u>	<u>-</u>
Ending balance	<u>\$ -</u>	<u>\$ 7,124,672</u>

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
YEAR ENDED DECEMBER 31, 2009

EIN 27-0123832
Plan Number 002
Schedule H, Line 4j

(a) <u>Identity of Party Involved</u>	(b) <u>Description of Asset</u>	(c) <u>Purchase Price</u>	(d) <u>Selling Price</u>	(e) <u>Lease Rental</u>	(f) <u>Expense Incurred with Transaction</u>	(g) <u>Cost of Asset</u>	(h) <u>Current Value of Asset on Transaction Date</u>	(i) <u>Net Gain or (Loss)</u>
The Kleinfelder Group, Inc.	The Kleinfelder Group, Inc., 79,677.76 shares of common stock	\$ 2,385,552	\$ -	\$ -	\$ -	\$ 352,022	\$ 2,385,552	\$ -

See independent auditors' report

GEOLOGIC SERVICES CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

GEOLOGIC SERVICES CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN

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Greenberg, Rosenblatt, Kull & Bitsoli, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Trustee
Geologic Services Corporation Employee Stock Ownership Plan
Littleton, Massachusetts

We have audited the accompanying statements of net assets available for benefits of Geologic Services Corporation Employee Stock Ownership Plan (the Plan) as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Geologic Services Corporation Employee Stock Ownership Plan as of December 31, 2009 and 2008, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Reportable Transactions for the year ended December 31, 2009 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplemental information required by the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Greenberg, Rosenblatt, Kull & Bitsoli, P.C.
GREENBERG, ROSENBLATT, KULL & BITSOLI, P.C.

Worcester, Massachusetts
October 8, 2010

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31,

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
Investment in Sponsor company common stock at estimated fair value	\$ -	\$ 7,124,672
Interest receivable	-	21
Cash equivalent	<u>-</u>	<u>18,728</u>
Net assets available for benefits	<u>\$ -</u>	<u>\$ 7,143,421</u>

The accompanying notes are an integral part of the financial statements

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31,

	<u>2009</u>	<u>2008</u>
Additions to net assets attributed to:		
Net appreciation (depreciation) in estimated fair value of Sponsor company common stock	\$ (137,710)	\$ 211,559
Dividend and interest income	<u>23,407</u>	<u>479</u>
Total additions	<u>(114,303)</u>	<u>212,038</u>
Deductions from net assets attributed to:		
Benefits paid to participants	2,399,804	-
Transfer to qualified employee stock ownership plan	<u>4,629,314</u>	<u>-</u>
Total deductions	<u>7,029,118</u>	<u>-</u>
Net increase (decrease)	(7,143,421)	212,038
Net assets available for benefits:		
Beginning of year	<u>7,143,421</u>	<u>6,931,383</u>
End of year	<u>\$ -</u>	<u>\$ 7,143,421</u>

The accompanying notes are an integral part of the financial statements

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

(1) DESCRIPTION OF PLAN

The following summary description of Geologic Services Corporation Employee Stock Ownership Plan (the Plan) is provided for general information purposes only. Participants should refer to the plan agreement for more complete information.

Background and Significant Amendments and Transactions:

The Plan, established in 1995 by Geologic Services Corporation (GSC), is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Subsequent to July 27, 2008, the end of a three-year survival period pursuant to a transaction (the Transaction) under which GSC sold substantially all of its assets to Kleinfelder East, Inc. (TKG-East), a wholly-owned subsidiary of The Kleinfelder Group, Inc. (TKG), TKG-East replaced GSC as the Plan's sponsor (collectively "the Sponsor").

In December 2008, the Plan received 237,965 shares of TKG common stock valued at \$29.94 per share from the liquidation of GSC. The fair value per share of the TKG stock was determined by independent appraisal as of March 31, 2008 for the purpose of The Kleinfelder Group, Inc. Employee Stock Ownership Plan (TKG ESOP). In 2009, cash of approximately \$23,000, representing the final liquidating dividend from GSC, was received by the Plan and is included in dividend and interest income.

In early 2009, in accordance with the original intent of the Transaction, participants no longer employed by TKG-East received the value of their account balances totaling approximately \$2,400,000. Participants could elect to receive their distributions in the form of a lump sum or direct rollover into an individual retirement account or other qualified plan. Any cash in participants' accounts was distributed and TKG issued promissory notes for the fair value of the TKG stock. The notes provided for five equal installments with the first installment due on the date of the note and then four annual installments. Interest on the notes was fixed at 1.94%, based on the Applicable Federal Rate at the date of the note.

In addition, effective December 31, 2009, the Plan was merged into the TKG ESOP. In connection with the merger, participants' account balances remaining in the Plan, comprised of 158,287 shares of TKG common stock with a fair value of approximately \$4,601,000 and cash of approximately \$28,000, transferred to the TKG ESOP.

Prior to July 27, 2005, the date of the Transaction, the Plan was operating primarily as a leveraged employee stock ownership plan (ESOP) designed to comply with Section 4975(e)(7), and the regulations there under, of the Internal Revenue Code (the Code). In connection with the Transaction, the Plan was amended (the Amendment) and GSC purchased all of the unallocated shares of GSC stock that secured the ESOP loan and a portion of the shares allocated to participants' accounts from the Plan with proceeds from the Transaction of \$8,262,000. The outstanding balance of the ESOP loan was repaid and the remaining proceeds of \$4,900,000 allocated to participants' accounts. Participants became fully vested in all their account balances and the cash portion of their accounts were transferred to a qualified profit sharing plan adopted by GSC and distributed to the participants.

The Amendment also prohibited future contributions to the Plan, additional employees from entering the Plan and, during the survival period, allocations of TKG stock to participants' accounts, and distributions from the Plan, except in the event of a participant reaching normal retirement age.

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

(1) DESCRIPTION OF PLAN (Continued)

Other Plan Provisions:

Participant Accounts:

Participants' vested balances were maintained in separate individual accounts. Any allocations to participants' accounts subsequent to the transaction were based on the number of shares or balances in individual participant's accounts.

Payment of Benefits:

In the event of retirement, death or other termination (subject to the limitations per the Amendment), participants generally received lump sum distributions of cash.

Put Option:

The Sponsor's stock held by the Plan and its participants was not readily traded on an established market and, therefore, included a put option as required under Federal income tax regulations. The put option gave participants the right to demand that the Sponsor buy shares of its stock received in a distribution. The put price was representative of the fair value of the stock. The stock could be purchased with interest over a period of five years.

Voting Rights:

In 2008, a committee established by TKG's Board of Directors (the Committee) assumed administration of the Plan. GreatBanc Trust Company, the Trustee through the date of merger into the TKG ESOP, is an outside institutional trustee appointed by the Plan.

The Trustee voted all shares of the Sponsor's stock in accordance with instructions from the Committee. However, participants could direct the voting attributable to the shares allocated to their accounts with respect to certain specified transactions requiring shareholder approval.

Diversification:

Participants at least age 55 that participated in the Plan for at least 10 years could elect to move a portion of the value of their investment in the Sponsor's stock into more diversified investments over a six-year period. The Plan normally made cash distributions to participants for amounts eligible for diversification. Participants could direct the Plan to transfer such distributions to another qualified plan that had employee-directed investments and that did not invest in employer securities.

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of New Accounting Standards:

In June 2009, the Financial Accounting Standards Board (FASB) issued authoritative guidance that defines the new hierarchy for U.S. generally accepted accounting principles (GAAP) and explains how the FASB will use its Accounting Standards Codification (ASC) as the sole source for all authoritative accounting principles (other than Securities and Exchange Commission guidance for publicly-traded companies). This guidance was effective for reporting periods ending after September 15, 2009. As a result of the adoption of this guidance, references to U.S. accounting standards have changed. This adoption had no impact on the Plan's net assets available for benefits or results of changes in net assets available for benefits.

The Plan also adopted new guidance, included in FASB ASC 855, *Subsequent Events*, that sets forth the period after the date of the statement of net assets available for benefits during which those charged with governance of the Plan must evaluate events or transactions occurring for potential recognition or disclosure in the financial statements. This guidance describes the circumstances under which such events or transactions require recognition and/or disclosures in the financial statements.

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition:

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 6 for further discussion of fair value measurements.

Interest income was recognized on the accrual basis. Dividend income was accrued on the ex-dividend date. Purchases and sales of stock were recorded on a trade-date basis.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein in the financial statements and accompanying notes. Actual results could differ from these estimates.

Subsequent Events:

The Plan has evaluated subsequent events through October 8, 2010 the date these financial statements were available to be issued, and noted that there were no events or transactions to recognize or disclose.

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

(3) TAX STATUS

The Internal Revenue Service had determined and informed GSC by letter dated April 25, 2001, that the Plan was qualified and the trust established under the Plan tax-exempt, under the appropriate sections of the Code. The Plan has been amended since receiving the determination letter. However, the Sponsor believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code.

(4) ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consisted principally of TKG common stock in 2009 and 2008, were held by the Trustee of the Plan. The Trustee also invested cash received and made distributions to participants. Certain administrative functions were also performed by officers and employees of GSC, TKG and TKG- East. No Trustee, employee or officer of GSC, TKG or TKG-East received compensation from the Plan in 2009 or 2008.

Administrative expenses have generally been paid directly by TKG since the date of the Transaction and GSC, TKG and TKG-East provided the Plan with management services at no cost.

(5) INVESTMENT

The Plan's investment in the TKG common stock at December 31 is as follows:

	<u>2009</u>	<u>2008</u>
<u>Common Shares of Company Stock</u>	<u>The Kleinfelder Group, Inc.</u>	<u>The Kleinfelder Group, Inc.</u>
Estimated fair value, as determined by independent appraisers	\$ -	\$ 7,124,672
Cost	\$ -	\$ 1,051,652
Number of shares	-	237,965.000

Net appreciation (depreciation) in fair value in the statements of changes in net assets was attributable to the investment in the stock in 2009 and 2008. In 2009, the depreciation in fair value was attributable to the adjustment of the fair value of the shares of TKG stock transferred to the TKG ESOP (Note 6). In 2008, the net appreciation represents the difference in the estimated fair value of TKG stock received from the liquidation of GSC and the estimated fair value of GSC's stock as of December 31, 2007. TKG stock received by GSC in the Transaction represented the majority of the estimated fair value of GSC's stock from the date of the Transaction through liquidation of GSC.

Accordingly, the Plan's investment risk has been directly related to TKG's continued success.

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

(6) FAIR VALUE MEASUREMENTS

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

Basis of (inputs to) fair value measurements include:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 Quoted prices in active markets for similar assets or liabilities; quoted market prices in inactive markets for identical or similar assets or liabilities; and, prices for other financial instruments or other correlated market data that are observable, either directly or indirectly.
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

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

TKG's common stock was valued at estimated fair value determined by annual independent appraisals. The appraisals were based upon a combination of market and income valuation techniques with discounts for minority interests and non marketability. The appraisals took into consideration historical and projected cash flows and net income, return on equity, market comparables and the estimated fair value of company assets and liabilities.

There were no changes in the valuation methodologies used to determine the fair value of TKG's stock as reported at December 31, 2009 and 2008 other than the appraisal date used. The Committee chose to have a special valuation appraisal performed as of December 31, 2009 for use in the final transfer of stock to the TKG ESOP. The annual valuation appraisal for the TKG ESOP's fiscal year ended March 31, 2008 was the basis for the fair value as of December 31, 2008 and the basis for the fair value used in distributions in early 2009. Therefore, there was no appreciation or depreciation in fair value related to the 2009 distributions (Note 5). An annual appraisal as of December 31, 2008 reflected a slightly lower fair value. The methodologies used may produce a fair value calculation that may not be indicative of net realizable value or future fair value. In addition, the Plan believes that these methods are appropriate and consistent with other market participants. However, use of different methods or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement.

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

(6) FAIR VALUE MEASUREMENTS (Continued)

TKG common stock is presented at estimated fair value using level 3 measurements (a level 3 investment asset), within the fair value hierarchy as established by FASB ASC 820 at December 31, 2009 and 2008.

Changes in the fair value of TKG stock for the years ended December 31 are as follows:

	<u>2009</u>	<u>2008</u>
Beginning balance	\$ 7,124,672	\$ -
Depreciation in fair value	(137,710)	-
Exchange	-	7,124,672
Transfers and settlements	<u>(6,986,962)</u>	<u>-</u>
Ending balance	<u>\$ -</u>	<u>\$ 7,124,672</u>

GEOLOGIC SERVICES CORPORATION EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
YEAR ENDED DECEMBER 31, 2009

EIN 27-0123832
Plan Number 002
Schedule H, Line 4j

(a) <u>Identity of Party Involved</u>	(b) <u>Description of Asset</u>	(c) <u>Purchase Price</u>	(d) <u>Selling Price</u>	(e) <u>Lease Rental</u>	(f) <u>Expense Incurred with Transaction</u>	(g) <u>Cost of Asset</u>	(h) <u>Current Value of Asset on Transaction Date</u>	(i) <u>Net Gain or (Loss)</u>
The Kleinfelder Group, Inc.	The Kleinfelder Group, Inc., 79,677.76 shares of common stock	\$ 2,385,552	\$ -	\$ -	\$ -	\$ 352,022	\$ 2,385,552	\$ -

See independent auditors' report