Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
HK ENTERPRISES, INC. 401-K PROFIT SHARING PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1994

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

3190-B CORONADO DRIVE
SANTA CLARA, CA 95054

2b Employer Identification Number (EIN) 47-0649307

2c Sponsor's telephone number 408-988-5880

2d Business code (see instructions) 812112

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.	10/14/2010	ALAN KUSHNIR
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") HK ENTERPRISES, INC. 3190-B CORONADO DRIVE SANTA CLARA, CA 95054	**3b** Administrator's EIN 47-0649307 **3c** Administrator's telephone number 408-988-5880

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:	**4b** EIN
a	Sponsor's name	**4c** PN

5	Total number of participants at the beginning of the plan year	**5**	591
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**	414
b	Retired or separated participants receiving benefits	**6b**	
c	Other retired or separated participants entitled to future benefits	**6c**	129
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	543
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	
f	Total. Add lines **6d** and **6e**	**6f**	543
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	373
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 2A 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)		**9b** Plan benefit arrangement (check all that apply)	
(1)	Insurance	**(1)**	Insurance
(2)	Code section 412(e)(3) insurance contracts	**(2)**	Code section 412(e)(3) insurance contracts
(3) X	Trust	**(3)** X	Trust
(4)	General assets of the sponsor	**(4)**	General assets of the sponsor

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

a Pension Schedules		**b General Schedules**	
(1)	**R** (Retirement Plan Information)	**(1)** X	**H** (Financial Information)
(2)	**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	**(2)**	**I** (Financial Information – Small Plan)
		(3) ___	**A** (Insurance Information)
		(4)	**C** (Service Provider Information)
(3)	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	**(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
HK ENTERPRISES, INC. 401-K PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
47-0649307

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	9723	10323
(2) Participant contributions	1b(2)		72833
(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)		
(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)	2115794	2995062
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(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	2125517	3078218
	Liabilities			
g	Benefit claims payable	1g	3262	3800
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	3262	3800
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	2122255	3074418

Part II Income and Expense Statement

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

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	179754	
	(B) Participants	2a(1)(B)	276114	
	(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)		455868
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)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
	(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)	43475	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		43475
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(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)		
(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		479194
d Total income. Add all **income** amounts in column (b) and enter total	2d		978537
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	26374	
(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)		26374
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		26374
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		952163
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) [X] 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 [X] No

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

(1) Name: COTE & COMPANY, APC **(2)** EIN: 94-3216001

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		175000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j	X		
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		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.	4n			

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

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

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

COTÉ & COMPANY, APC

CERTIFIED PUBLIC ACCOUNTANTS

HK ENTERPRISES, INC.
401(K) PROFIT SHARING PLAN

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

HK ENTERPRISES, INC.
401(K) PROFIT SHARING PLAN

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DECEMBER 31, 2009

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Coté & Company, APC
CERTIFIED PUBLIC ACCOUNTANTS
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San Francisco, CA 94103
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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator and Participants
HK Enterprises, Inc.
401(k) Profit Sharing Plan
Santa Clara, California

We have audited the accompanying statements of net assets available for benefits of **HK ENTERPRISES, INC. 401 (K) PROFIT SHARING PLAN** as of December 31, 2009 and 2008 and the 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration on internal control over financial reporting as a basis for designing audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we do not express such an opinion. 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 HK Enterprises, Inc. 401(k) Profit Sharing 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.

INDEPENDENT AUDITORS' REPORT
(Continued)

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of Schedule H, line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2009 and Schedule H, line 4j - Schedule of Reportable Transactions for the year ended December 31, 2009 are presented for purposes of additional analysis and are not a part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules are the responsibility of the Plan's management and have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Coté & Company, APC

San Francisco, California
September 3, 2010

HK ENTERPRISES, INC.
401(K) PROFIT SHARING PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2009 and 2008

	2009	2008
ASSETS		
Units of registered investment companies, at fair value	$ 2,995,062	$ 2,115,794
Contributions receivable	83,156	9,723
TOTAL ASSETS	3,078,218	2,125,517
LIABILITIES		
Withholding taxes payable	3,800	3,262
NET ASSETS AVAILABLE FOR BENEFITS	$ 3,074,418	$ 2,122,255

The accompanying notes are an integral part of these financial statements.

HK ENTERPRISES, INC.
401(K) PROFIT SHARING PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Years Ended December 31, 2009 and 2008

	2009	2008
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income		
Net appreciation (depreciation) in fair value of investments	$ 479,194	$ (732,466)
Interest and dividends	43,475	86,817
Total investment income (losses)	522,669	(645,649)
Contributions		
Participant	276,114	270,070
Employer	179,754	169,149
Participant roll-over	-	809
Total contributions	455,868	440,028
Total additions (deductions)	978,537	(205,621)
DEDUCTIONS TO NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	26,374	156,972
NET INCREASE (DECREASE)	952,163	(362,593)
NET ASSETS		
Beginning of year	2,122,255	2,484,848
End of year	$ 3,074,418	$ 2,122,255

The accompanying notes are an integral part of these financial statements.

HK ENTERPRISES, INC.
401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

NOTE A - DESCRIPTION OF THE PLAN

The following description of HK Enterprises, Inc. ("the Company") 401(k) Profit Sharing Plan ("the Plan") provides only general information. Participants should refer to the Plan agreement for a more comprehensive description of the Plan's provisions.

General

The Plan is a defined-contribution plan covering all full-time employees of the Company. Employees are eligible to participate upon attaining the age of 21 or have completed two years of eligibility service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Each year participants may contribute up to 100% of pretax annual compensation, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined-benefit or contribution plans. On a yearly basis the Company has the option to determine and adjust the amount of the matching contribution. Contributions are subject to certain limitations.

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of (a) the Company's contributions and (b) Plan earnings charged, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. Forfeited balances of terminated participants' nonvested accounts are used to reduce future Company contributions. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's matching and discretionary contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100% vested after six years of credited service.

NOTE A - DESCRIPTION OF THE PLAN (Continued)

Participant Loans

Under the terms of the plan's provisions, participant loans are not allowed.

Administrative Expenses

Substantially all administrative expenses are paid by the Company.

Payment of Benefits

On termination of service due to death, disability, or retirement, a participant will receive a lump-sum amount equal to the value of the participant's vested interest in his or her account. For termination of service due to other reasons, a participant, whose account balance is less than $5,000, will receive the value of the vested interest in his or her account as a lump-sum distribution. Participants with account balances of $5,000 or more must elect to receive the vested interest in his or her account in one lump-sum at the time of termination, or receipt will be delayed until retirement age is reached.

Forfeited Accounts

Forfeited accounts may be allocated to other participants, used to help defray administrative expenses, or used to reduce future employer contributions as determined by the trustee.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Accounting Method

The financial statements were prepared using accrual method of accounting. This method, which recognizes receivables and payables, results in the recognition of income when earned and expenses when incurred.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accepted accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation

The Plan's investments are stated at fair value. Shares of Registered Investment Companies (mutual funds) are valued at the net asset value of the shares held by the Plan at year end.

Payment of Benefits

Benefits are recorded when paid.

Recently Adopted Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (FASB) issued SFAS No. 157 – *Fair Value Measurements* ("SFAS 157") in order to define fair value, establish guidelines for measuring fair value expanding disclosures regarding fair value measurements. SFAS 157 does not require any new fair value measurements but rather eliminates inconsistencies in guidance found in various prior accounting pronouncements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. Effective January 1, 2008, the Plan adopted SFAS 157 which did not have a material impact on the Statement of Net Assets Available for Benefits or the Statement of Changes in Net Assets Available for Benefits. See Note D for information and related disclosures regarding fair value measurements.

NOTE C - INVESTMENTS

The following represent investments that are 5% or more of the Plan's net assets:

	December 31, 2009	2008
Fidelity Equity Income	$ 476,496	$ 479,874
Fidelity Low Priced Stock	483,746	N/A
Fidelity Blue Chip Growth	772,425	431,250
Fidelity Strategic Real Return	432,002	253,359
Fidelity Investment Grade	443,576	226,627
Fidelity Select Money Market	< 5%	337,890
Fidelity Cash Reserves	244,157	295,158

During 2009 and 2008, the Plan's mutual fund investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value by $479,194 and ($732,466), respectively.

NOTE D - FAIR VALUE MEASUREMENTS

SFAS 157 establishes a framework for measuring fair value which 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 market prices (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under SFAS 157 are described below:

Level 1 -

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

NOTE D - FAIR VALUE MEASUREMENTS (Continued)

Level 2 -

Inputs to the valuation methodology include:

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

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

Level 3 -

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

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

The following is a description of the valuation methodologies used for asset measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Registered Investment Companies -

Valued at the net asset value ("NAV") of shares held by the Plan at year end.

Participant Loans -

Valued at amortized cost, which approximates fair value.

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

NOTE D - FAIR VALUE MEASUREMENTS (Continued)

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

	December 31, 2009			
	Level 1	Level 2	Level 3	Total
Registered investment companies				
Large Value Fund	$ 476,496	$ -0-	$ -0-	$ 476,496
Large Growth Fund	772,425	-0-	-0-	772,425
Mid Cap Fund	483,746	-0-	-0-	483,746
Conservative Allocation Fund	432,002	-0-	-0-	432,002
Intermediate-term Bond Fund	443,576	-0-	-0-	443,576
Money Market Funds	386,817	-0-	-0-	386,817
Total investments	$ 2,995,062	$ -0-	$ -0-	$ 2,995,062

	December 31, 2008			
	Level 1	Level 2	Level 3	Total
Registered investment companies				
Large Value Fund	$ 479,874	$ -0-	$ -0-	$ 479,874
Large Growth Fund	431,250	-0-	-0-	431,250
Large Foreign Blend Fund	51,636	-0-	-0-	51,636
Conservative Allocation Fund	253,359	-0-	-0-	253,359
Intermediate-term Bond Fund	266,628	-0-	-0-	266,628
Money Market Funds	633,047	-0-	-0-	633,047
Total investments	$ 2,115,794	$ -0-	$ -0-	$ 2,115,794

NOTE E - PLAN TERMINATION

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

NOTE F - TAX STATUS

The Internal Revenue Service has determined and informed the Company in a letter dated August 31, 1993, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Since the 1993 determination letter the Plan has been amended, and the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of IRC.

NOTE G - RISKS AND UNCERTAINTIES

The Plan invests in mutual funds, which are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain mutual funds, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

HK Enterprises, Inc. 401(k) Profit Sharing Plan
FEIN: 47-0649307
Form: 5500
Plan number: 001
December 31, 2009

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity date	(d) Cost	(e) Current Value
	Fidelity Equity Income	Registered Investment Company	443,562	476,496
	Fidelity Low Priced Stock	Registered Investment Company	339,000	483,746
	Fidelity Blue Chip Growth	Registered Investment Company	761,070	772,425
	Fidelity Strategic Real Return	Registered Investment Company	390,504	432,002
	Fidelity Investment Grade	Registered Investment Company	392,819	443,576
	Fidelity Select Money Market	Registered Investment Company	142,660	142,660
	Fidelity Cash Reserves	Registered Investment Company	244,157	244,157

The accompanying notes are an integral part of this schedule.

HK Enterprises, Inc. 401(k) Profit sharing Plan
FEIN: 47-0649307
Form: 5500
Plan No.: 001
December 31, 2009

SCHEDULE H, LINE 4j - REPORTABLE TRANSACTIONS

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expenses Incurred	(g) Cost of Asset	(h) Current Value	(I) Net Gain/ Loss
	Fidelity International Discovery	-	51,024	-	-	68,474	51,024	(17,450)
	Fidelity Equity Income	-	200,000	-	-	322,468	200,000	(122,468)
	Fidelity Select Money Market	-	398,000	-	-	398,000	398,000	-
	Fidelity Low Priced Stock	339,000	-	-	-	-	-	-
	Fidelity Investment Grade	129,000	-	-	-	-	-	-
	Fidelity Strategic Real Return	95,000	-	-	-	-	-	-
	Fidelity Blue Chip Growth	122,000	-	-	-	-	-	-
	Fidelity Equity Income	173,000	-	-	-	-	-	-
	Fidelity Select Money Market	200,000	-	-	-	-	-	-

The accompanying notes are an integral of this schedule.

COTÉ & COMPANY, APC

CERTIFIED PUBLIC ACCOUNTANTS

HK ENTERPRISES, INC.
401(K) PROFIT SHARING PLAN

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

HK ENTERPRISES, INC.
401(K) PROFIT SHARING PLAN

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Coté & Company, APC
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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator and Participants
HK Enterprises, Inc.
401(k) Profit Sharing Plan
Santa Clara, California

We have audited the accompanying statements of net assets available for benefits of **HK ENTERPRISES, INC. 401 (K) PROFIT SHARING PLAN** as of December 31, 2009 and 2008 and the 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration on internal control over financial reporting as a basis for designing audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we do not express such an opinion. 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 HK Enterprises, Inc. 401(k) Profit Sharing 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.

INDEPENDENT AUDITORS' REPORT
(Continued)

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of Schedule H, line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2009 and Schedule H, line 4j - Schedule of Reportable Transactions for the year ended December 31, 2009 are presented for purposes of additional analysis and are not a part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules are the responsibility of the Plan's management and have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Coté & Company, APC

San Francisco, California
September 3, 2010

HK ENTERPRISES, INC.
401(K) PROFIT SHARING PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2009 and 2008

	2009	2008
ASSETS		
Units of registered investment companies, at fair value	$ 2,995,062	$ 2,115,794
Contributions receivable	83,156	9,723
TOTAL ASSETS	3,078,218	2,125,517
LIABILITIES		
Withholding taxes payable	3,800	3,262
NET ASSETS AVAILABLE FOR BENEFITS	$ 3,074,418	$ 2,122,255

The accompanying notes are an integral part of these financial statements.

HK ENTERPRISES, INC.
401(K) PROFIT SHARING PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Years Ended December 31, 2009 and 2008

	2009	2008
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income		
Net appreciation (depreciation) in fair value of investments	$ 479,194	$ (732,466)
Interest and dividends	43,475	86,817
Total investment income (losses)	522,669	(645,649)
Contributions		
Participant	276,114	270,070
Employer	179,754	169,149
Participant roll-over	-	809
Total contributions	455,868	440,028
Total additions (deductions)	978,537	(205,621)
DEDUCTIONS TO NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	26,374	156,972
NET INCREASE (DECREASE)	952,163	(362,593)
NET ASSETS		
Beginning of year	2,122,255	2,484,848
End of year	$ 3,074,418	$ 2,122,255

The accompanying notes are an integral part of these financial statements.

HK ENTERPRISES, INC.
401(K) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

NOTE A - DESCRIPTION OF THE PLAN

The following description of HK Enterprises, Inc. ("the Company") 401(k) Profit Sharing Plan ("the Plan") provides only general information. Participants should refer to the Plan agreement for a more comprehensive description of the Plan's provisions.

General

The Plan is a defined-contribution plan covering all full-time employees of the Company. Employees are eligible to participate upon attaining the age of 21 or have completed two years of eligibility service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Each year participants may contribute up to 100% of pretax annual compensation, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined-benefit or contribution plans. On a yearly basis the Company has the option to determine and adjust the amount of the matching contribution. Contributions are subject to certain limitations.

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of (a) the Company's contributions and (b) Plan earnings charged, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. Forfeited balances of terminated participants' nonvested accounts are used to reduce future Company contributions. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's matching and discretionary contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100% vested after six years of credited service.

NOTE A - DESCRIPTION OF THE PLAN (Continued)

Participant Loans

Under the terms of the plan's provisions, participant loans are not allowed.

Administrative Expenses

Substantially all administrative expenses are paid by the Company.

Payment of Benefits

On termination of service due to death, disability, or retirement, a participant will receive a lump-sum amount equal to the value of the participant's vested interest in his or her account. For termination of service due to other reasons, a participant, whose account balance is less than $5,000, will receive the value of the vested interest in his or her account as a lump-sum distribution. Participants with account balances of $5,000 or more must elect to receive the vested interest in his or her account in one lump-sum at the time of termination, or receipt will be delayed until retirement age is reached.

Forfeited Accounts

Forfeited accounts may be allocated to other participants, used to help defray administrative expenses, or used to reduce future employer contributions as determined by the trustee.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Accounting Method

The financial statements were prepared using accrual method of accounting. This method, which recognizes receivables and payables, results in the recognition of income when earned and expenses when incurred.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accepted accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation

The Plan's investments are stated at fair value. Shares of Registered Investment Companies (mutual funds) are valued at the net asset value of the shares held by the Plan at year end.

Payment of Benefits

Benefits are recorded when paid.

Recently Adopted Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (FASB) issued SFAS No. 157 – *Fair Value Measurements* ("SFAS 157") in order to define fair value, establish guidelines for measuring fair value expanding disclosures regarding fair value measurements. SFAS 157 does not require any new fair value measurements but rather eliminates inconsistencies in guidance found in various prior accounting pronouncements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. Effective January 1, 2008, the Plan adopted SFAS 157 which did not have a material impact on the Statement of Net Assets Available for Benefits or the Statement of Changes in Net Assets Available for Benefits. See Note D for information and related disclosures regarding fair value measurements.

NOTE C - INVESTMENTS

The following represent investments that are 5% or more of the Plan's net assets:

	December 31, 2009	2008
Fidelity Equity Income	$ 476,496	$ 479,874
Fidelity Low Priced Stock	483,746	N/A
Fidelity Blue Chip Growth	772,425	431,250
Fidelity Strategic Real Return	432,002	253,359
Fidelity Investment Grade	443,576	226,627
Fidelity Select Money Market	< 5%	337,890
Fidelity Cash Reserves	244,157	295,158

During 2009 and 2008, the Plan's mutual fund investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value by $479,194 and ($732,466), respectively.

NOTE D - FAIR VALUE MEASUREMENTS

SFAS 157 establishes a framework for measuring fair value which 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 market prices (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under SFAS 157 are described below:

Level 1 -

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

NOTE D - FAIR VALUE MEASUREMENTS (Continued)

Level 2 -

Inputs to the valuation methodology include:

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

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

Level 3 -

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

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

The following is a description of the valuation methodologies used for asset measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Registered Investment Companies -

Valued at the net asset value ("NAV") of shares held by the Plan at year end.

Participant Loans -

Valued at amortized cost, which approximates fair value.

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

NOTE D - FAIR VALUE MEASUREMENTS (Continued)

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

	December 31, 2009			
	Level 1	Level 2	Level 3	Total
Registered investment companies				
Large Value Fund	$ 476,496	$ -0-	$ -0-	$ 476,496
Large Growth Fund	772,425	-0-	-0-	772,425
Mid Cap Fund	483,746	-0-	-0-	483,746
Conservative Allocation Fund	432,002	-0-	-0-	432,002
Intermediate-term Bond Fund	443,576	-0-	-0-	443,576
Money Market Funds	386,817	-0-	-0-	386,817
Total investments	$ 2,995,062	$ -0-	$ -0-	$ 2,995,062

	December 31, 2008			
	Level 1	Level 2	Level 3	Total
Registered investment companies				
Large Value Fund	$ 479,874	$ -0-	$ -0-	$ 479,874
Large Growth Fund	431,250	-0-	-0-	431,250
Large Foreign Blend Fund	51,636	-0-	-0-	51,636
Conservative Allocation Fund	253,359	-0-	-0-	253,359
Intermediate-term Bond Fund	266,628	-0-	-0-	266,628
Money Market Funds	633,047	-0-	-0-	633,047
Total investments	$ 2,115,794	$ -0-	$ -0-	$ 2,115,794

NOTE E - PLAN TERMINATION

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

NOTE F - TAX STATUS

The Internal Revenue Service has determined and informed the Company in a letter dated August 31, 1993, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Since the 1993 determination letter the Plan has been amended, and the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of IRC.

NOTE G - RISKS AND UNCERTAINTIES

The Plan invests in mutual funds, which are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain mutual funds, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

HK Enterprises, Inc. 401(k) Profit Sharing Plan
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SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity date	(d) Cost	(e) Current Value
	Fidelity Equity Income	Registered Investment Company	443,562	476,496
	Fidelity Low Priced Stock	Registered Investment Company	339,000	483,746
	Fidelity Blue Chip Growth	Registered Investment Company	761,070	772,425
	Fidelity Strategic Real Return	Registered Investment Company	390,504	432,002
	Fidelity Investment Grade	Registered Investment Company	392,819	443,576
	Fidelity Select Money Market	Registered Investment Company	142,660	142,660
	Fidelity Cash Reserves	Registered Investment Company	244,157	244,157

The accompanying notes are an integral part of this schedule.

HK Enterprises, Inc. 401(k) Profit sharing Plan
FEIN: 47-0649307
Form: 5500
Plan No.: 001
December 31, 2009

SCHEDULE H, LINE 4j - REPORTABLE TRANSACTIONS

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expenses Incurred	(g) Cost of Asset	(h) Current Value	(I) Net Gain/ Loss
	Fidelity International Discovery	-	51,024	-	-	68,474	51,024	(17,450)
	Fidelity Equity Income	-	200,000	-	-	322,468	200,000	(122,468)
	Fidelity Select Money Market	-	398,000	-	-	398,000	398,000	-
	Fidelity Low Priced Stock	339,000	-	-	-	-	-	-
	Fidelity Investment Grade	129,000	-	-	-	-	-	-
	Fidelity Strategic Real Return	95,000	-	-	-	-	-	-
	Fidelity Blue Chip Growth	122,000	-	-	-	-	-	-
	Fidelity Equity Income	173,000	-	-	-	-	-	-
	Fidelity Select Money Market	200,000	-	-	-	-	-	-

The accompanying notes are an integral of this schedule.