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
HYDRANAUTICS 401(K) PROFIT SHARING PLAN

1b Three-digit plan number (PN) ▶ 003

1c Effective date of plan 10/01/1987

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

401 JONES ROAD
OCEANSIDE, CA 92054

401 JONES ROAD
OCEANSIDE, CA 92054

2b Employer Identification Number (EIN)
95-2949422

2c Sponsor's telephone number
760-901-2518

2d Business code (see instructions)
333319

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	MINTSEN CHEN
	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") HYDRANAUTICS 401 JONES ROAD OCEANSIDE, CA 92054	**3b** Administrator's EIN 95-2949422 **3c** Administrator's telephone number 760-901-2518

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**	524
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**	416
b	Retired or separated participants receiving benefits	**6b**	4
c	Other retired or separated participants entitled to future benefits	**6c**	55
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	475
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	3
f	Total. Add lines **6d** and **6e**	**6f**	478
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	434
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

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) X	**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) X	**C** (Service Provider Information)
(3)	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	**(5)** X	**D** (DFE/Participating Plan Information)
		(6)	**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**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
HYDRANAUTICS 401(K) PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
HYDRANAUTICS

D Employer Identification Number (EIN)
95-2949422

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

FID.INV.INST.OPS.CO.

04-2647786

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

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 37 65 60	RECORDKEEPER	8725	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

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

FIRST CLEARING LLC

23-2384840

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
JPM EQUITY IDX A - BOSTON FINANCIAL 04-2526037	$15.00

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
OPPENHEIMER GLOBAL A - OPPENHEIMERF 13-2527171	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PUTN EQUITY INCOME A - PUTNAM INVES 04-2539562	0.25%

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
RS PARTNERS A - BOSTON FINANCIAL DA 04-2526037	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
TRP BLUE CHIP GRTH R - T ROWE PRICE 52-1184650	0.40%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
VAN KAMPEN EQ INC A - VAN KAMPEN IN PO BOX 219286 KANSAS, MO 64121	0.25%

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIRST CLEARING LLC	61	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
OPPENHEIMER GLOBAL A - OPPENHEIMERF 13-2953455	$5M+=0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIRST CLEARING LLC	61	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PUTN EQUITY INCOME A - PUTNAM RETAI 04-1223767	$0-<$1M=1.00% $1M-<$2M=0.75% $2M+=0.50%

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

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

A Name of plan
HYDRANAUTICS 401(K) PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 003

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
HYDRANAUTICS

D Employer Identification Number (EIN)
95-2949422

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: FA STABLE VALUE

b Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
04-3022712-026	C	2413941

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

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

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

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

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

A Name of plan
HYDRANAUTICS 401(K) PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
HYDRANAUTICS

D Employer Identification Number (EIN)
95-2949422

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)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	406569	633873
(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)	635389	762954
(9) Value of interest in common/collective trusts	1c(9)	2557940	2413941
(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)	5647592	8874547
(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	9247490	12685315
	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 through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	9247490	12685315

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)	718666	
	(B) Participants	2a(1)(B)	1463838	
	(C) Others (including rollovers)	2a(1)(C)	165740	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		2348244
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	7946	
	(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)	47773	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		55719
	(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)	123268	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		123268
	(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)		

		(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)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		109236
(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)		1917358
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		4553825
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1100717	
(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)		1100717
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		6549
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)	8734	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		8734
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1116000
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		3437825
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

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

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

(1) Name: CEA, LLP (2) EIN: 33-0927538

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		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	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		X	

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

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

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

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

A Name of plan
HYDRANAUTICS 401(K) PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
HYDRANAUTICS

D Employer Identification Number (EIN)
95-2949422

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 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): 04-6568107

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 of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

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

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

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

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

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

Part III Amendments

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

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

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

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

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

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

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):

---

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):

HYDRANAUTICS
401(k) PROFIT SHARING PLAN

FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Hydranautics 401(k) Profit Sharing Plan
December 31, 2009 and 2008

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Thomas J. Applegate, CPA
Gregory Bellman, CPA
Robert Cairns, CPA, CVA

CEA, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Eric Eng, CPA
Mark A. Stepka, CPA, CVA
Ellen Williams, CPA

INDEPENDENT AUDITOR'S REPORT

Plan Administrator
Hydranautics 401(k) Profit Sharing Plan
Oceanside, California

We were engaged to audit the Statements of Net Assets Available for Benefits of the Hydranautics 401(k) Profit Sharing Plan as of December 31, 2009 and 2008, and the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2009, and the supplemental schedules for the year ended December 31, 2009 as listed in the accompanying table of contents. These financial statements and schedules are the responsibility of the Plan's management.

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

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

CEA, LLP

October 7, 2010

Hydranautics 401(k) Profit Sharing Plan
Statements of Net Assets Available for Benefits

December 31,	2009	2008
Assets		
Investments (at fair value)		
Registered investment companies	$ 8,874,547	$ 5,647,592
Stable value common trust fund	2,413,941	2,557,940
Interest-bearing cash	633,873	406,569
Loans to participants	762,954	635,389
Total Investments	12,685,315	9,247,490
Total Assets	**12,685,315**	**9,247,490**
Liabilities	-	-
Net Assets Reflecting all Investments at Fair Value	**12,685,315**	**9,247,490**
Adjustments from fair value to contract value for fully benefit-responsive investment contract	3,158	70,147
Net Assets Available for Benefits	**$ 12,688,473**	**$ 9,317,637**

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

Hydranautics 401(k) Profit Sharing Plan
Statement of Changes in Net Assets Available for Benefits

For the Year Ended December 31, 2009

Additions	
Changes in net assets attributed to:	
Investment income:	
Net realized and unrealized appreciation in fair value of investments	$ 2,082,873
Interest	55,719
Participant contributions	1,463,838
Employer contributions	718,666
Rollovers	165,740
Total Additions	4,486,836
Deductions	
Deductions from net assets attributed to:	
Benefits paid to participants	(1,100,717)
Deemed distributions	(6,549)
Administrative expenses	(8,734)
Total Deductions	(1,116,000)
Net Increase	3,370,836
Net assets available for benefits	
Beginning of year	9,317,637
End of year	$ 12,688,473

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

Hydranautics 401(k) Profit Sharing Plan
Notes to Financial Statements

A. DESCRIPTION OF PLAN

The following description of the Hydranautics 401(k) Profit Sharing Plan ("Plan") provides general information only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan was established on October 1, 1987 as a defined contribution plan. The Plan covers all eligible employees of Hydranautics, Inc. (the "Company") and employees of the Company's affiliate, Nitto Technical Corporation, who are 18 years of age or older. Employees are eligible to enroll in the Plan on the first day of each month after having completed 3 months of service. The Plan is a safe harbor 401(k) plan subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions

Upon eligibility, employees are automatically enrolled with 5% deferral, unless they choose to opt out of participating in the Plan. Each year, participants may contribute up to 90% of pre-tax annual compensation as defined in the Plan, subject to certain annual Internal Revenue Service limitations. Participants may also contribute amounts representing distributions from other qualified retirement plans. In order to maintain "safe harbor" status, the Company contributes matching contributions in an amount equal to 100% of the first 3% and 50% of the next 2% employees contributed into the Plan. The Company may also make additional, discretionary contributions to those eligible participants who have worked at least 1,000 hours during the Plan year and are employed on the last day of the Plan year. No additional matching contributions were made during the year ended December 31, 2009.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. Forfeited balances of terminated participants' non-vested accounts will be allocated to pay Plan expenses and used to reduce future employer contributions or pay Plan expenses. 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 and company contributions, plus actual earnings thereon.

Participant Loans

Participants may borrow from their fund accounts a maximum of $50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Plan administrator. Interest rates ranged from 4.00% to 8.00% at December 31, 2009. Principal and interest is paid ratably through payroll deductions.

A. DESCRIPTION OF PLAN (CONTINUED)

Payment of Benefits

Participants are eligible to receive a lump-sum distribution of benefits upon termination of employment, death, disability, retirement or Plan termination. Distributions may also be made for hardship withdrawals, which are authorized by the Plan administrator and conform to the "deemed hardship" standards set forth in Treasury Regulation Section 1.401(k)(d)(2). Such hardship distributions are subject to certain limitations. Benefits are recorded when paid.

Investment Options

Fidelity Management Trust Company as Trustee ("Trustee" or "Fidelity") under a trust agreement holds the assets of the Plan, including all contributions and earnings thereon. Upon enrollment in the Plan, participants may direct contributions into a variety of investment options.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis (See Note F).

Accounting Estimates

The Plan administrator uses estimates and assumptions in preparing the Plan's financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported changes in net assets. Actual results could vary from the estimates that were used.

Valuation of Investments

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note G for discussion of fair value measurements.

Participant loans are valued at cost, which approximates fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risks and Uncertainties

Investments are exposed to various risks, such as interest rate, market fluctuation and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

Plan Expenses

The Company sponsors the Plan. Personnel within the Company perform various administrative services for the Plan. The payroll and related overhead costs associated with these services are not included as Plan expenses. Administrative expenses of the Plan, including record keeping, legal and audit fees, are paid by the Company.

Subsequent Events

The date to which events occurring after December 31, 2009, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is October 7, 2010, which is the date on which the financial statements were available to be issued.

C. INCOME TAX STATUS

The Plan obtained its latest determination letter on October 9, 2003, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Accordingly, no provision for taxes has been included in the Plan's financial statements.

D. PLAN TERMINATION

Although it has not expressed any intent to do so, the Plan sponsor has the right to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will be entitled to their entire account balance.

E. PARTY-IN-INTEREST

There were no party-in-interest transactions between the Plan and Fidelity, other than payment of investment fees from the Plan assets for services rendered.

F. STABLE VALUE COMMON TRUST FUND

Investments held by the Fidelity Stable Value Common Trust Fund were deemed fully benefit-responsive. These investments are reported at fair value in the Statement of Net Assets Available for Benefits. In addition, any difference between the fair value of these investments and their contract value in presented as a separate adjustment line attributable to fully benefit-responsive investment contracts in the Statement of Net Assets Available for Benefits.

At December 31, 2009 and 2008, the Plan's participants had $2,417,099 and $2,628,087, respectively, invested (at contract value) in the Fidelity Stable Value Common Trust Fund. The December 31, 2009 and 2008 statements of net assets reflect the adjustment from fair value to contract value.

The contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. There are no reserves required against contract value for credit risk of the contract issuer. The average yield based on actual income was approximately 3.16% on December 31, 2009. The average yield based on interest rates credited to participants was approximately 1.20% on December 31, 2009. Crediting interest rates are reset periodically and are usually adjusted either monthly or quarterly.

Certain events limit the ability of the Plan to transact at contract value with the issuer. These events include termination of the Plan, a material adverse change to the provisions of the Plan, the employer's election to withdraw from a contract in order to change to a different investment provider or employer initiated event, if material. The Plan Administrator does not believe that the occurrence of any such event is probable

G. FAIR VALUE MEASUREMENTS

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

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

Level 2 Inputs to the valuation methodology include:

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

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

G. FAIR VALUE MEASUREMENTS (CONTINUED)

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.

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

Registered Investment Companies: Valued at the net asset value ("NAV") of shares held by the Plan at year-end.

Stable Value Common Trust Fund: Valued based on the contractual terms of the underlying agreement. The fair value is determined by Fidelity Management Trust Company.

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 fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other Market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

Assets at Fair Value as of December 31, 2009

	Level 1	Level 2	Level 3	Total
Registered investment companies	$ 8,874,547	$ -	$ -	$ 8,874,547
Interest-bearing cash	633,873	-	-	633,873
Stable value common trust fund	-	2,413,941	-	2,413,941
Participant loans	-	-	762,954	762,954
Total assets at fair value	$ 9,508,420	$ 2,413,941	$ 762,954	$12,685,315

G. FAIR VALUE MEASUREMENTS (CONTINUED)

Assets at Fair Value as of December 31, 2008

	Level 1	Level 2	Level 3	Total
Registered investment companies	$ 5,647,592	$ -	$ -	$ 5,647,592
Interest-bearing cash	406,569	-	-	406,569
Stable value common trust fund	-	2,557,940	-	2,557,940
Participant loans	-	-	635,389	635,389
Total assets at fair value	$ 6,054,161	$ 2,557,940	$ 635,389	$ 9,247,490

Level 3 Gains and Losses

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the years ended December 31:

	Level 3 Assets	
	2009	2008
Balance, beginning of year	$ 635,389	$ 450,638
Issuances and settlements (net)	127,565	184,751
Balance, end of year	$ 762,954	$ 635,389

H. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for Plan benefits per the financial statements at December 31, 2009 and 2008 to the Form 5500:

	2009	2008
Net Assets available for benefits per the financial statements	$ 12,688,473	$ 9,317,637
Less: Adjustment from contract value to fair value for the Fidelity Stable Value Common Trust Fund, a fully benefit responsive contract	(3,158)	(70,147)
Net assets available for Plan benefits per Form 5500	$12,685,315	$ 9,247,490

H. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 (CONTINUED)

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

Net increase in net assets available for benefits per the financial statements	$ 3,370,836
Adjustment from fair value to contract value for the Stable Value Common Trust Fund, a fully benefit responsive investment contract at December 31, 2009	(3,158)
Adjustment from fair value to contract value for the Stable Value Common Trust Fund, a fully benefit responsive investment contract at December 31, 2008	70,147
Net increase in net assets available for benefits per Form 5500	$ 3,437,825

I. INVESTMENTS

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

	2009	2008
Fidelity Stable Value Common Trust Fund (contract value) (2,417,099 and 2,628,087 units, respectively)	$ 2,417,099	$ 2,628,087
Oppenheimer Global Fund A (16,179 and 15,497 units, respectively)	857,675	593,207
Fidelity FA New Insights Fund A (formerly Fund T) (48,445 and 48,779 units, respectively)	835,188	646,807
JP Morgan Equity Index Fund A (29,260 and 27,174 units, respectively)	740,875	557,608
Fidelity FA Freedom 2030 Fund A (formerly Fund T) (60,524 and -0- units, respectively)	655,479	*

* Investment did not represent 5% or more of the plan's net assets available for benefits.

J. INFORMATION CERTIFIED BY THE TRUSTEE (UNAUDITED)

At December 31, 2009 and 2008, the Plan's investments were held by the Trustee. The following is a summary of the Plan's financial information that is included in the financial statements based on information certified by the Trustee as complete and accurate in accordance with Section 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

J. INFORMATION CERTIFIED BY THE TRUSTEE (UNAUDITED) (CONTINUED)

The fair value of investments at December 31, 2009 and 2008 as reported by the Trustee is summarized as follows:

	2009	2008
Fidelity Stable Value Common Trust Fund	$ 2,413,941	$ 2,557,940
Oppenheimer Global Fund A	857,675	593,207
Fidelity FA New Insights Fund A (formerly Fund T)	835,188	646,807
JP Morgan Equity Index Fund A	740,875	557,608
Fidelity FA Freedom 2030 Fund A (formerly Fund T)	655,479	430,166
Fidelity Prime Fund	633,873	406,569
Fidelity FA Mid Cap II Fund A (formerly Fund T)	628,044	456,732
Fidelity FA Freedom 2020 Fund A (formerly Fund T)	621,060	348,449
Fidelity FA Divers International Fund A (formerly Fund T)	467,345	336,957
Fidelity FA Freedom 2035 Fund A (formerly Fund T)	440,731	138,059
RS Partners Fund A	395,267	243,309
Fidelity FA Freedom 2025 Fund A (formerly Fund T)	384,731	179,849
Fidelity FA Freedom 2015 Fund A (formerly Fund T)	331,652	120,397
Fidelity FA Small Cap Fund A (formerly Fund T)	320,181	167,305
Fidelity FA Freedom 2040 Fund A (formerly Fund T)	305,754	157,788
Fidelity FA Value Strategic Fund A (formerly Fund T)	272,108	128,268
Fidelity FA Equity Income Fund A (formerly Fund T)	265,323	245,865
Van Kampen Equity Income Fund A	251,207	184,810
T. Rowe Price Blue Chip Growth Fund R	232,142	108,634
Fidelity FA High Income Adv Fund A (formerly Fund T)	211,569	94,755
Fidelity FA Freedom 2050 Fund A (formerly Fund T)	167,984	64,183
Fidelity FA Freedom 2045 Fund A (formerly Fund T)	144,055	55,819
Fidelity FA Mortgage Sec Fund A (formerly Fund T)	143,241	75,706
Fidelity FA Freedom 2010 Fund A (formerly Fund T)	82,769	225,881
Fidelity FA Freedom 2005 Fund A (formerly Fund T)	69,403	43,223
Putnam Equity Income Fund A	28,860	-
Fidelity FA Freedom Income Fund A (formerly Fund T)	21,653	43,815
Fidelity FA Strategic Income Fund A	251	-
Participant Loans	762,954	635,389
	$12,685,315	$ 9,247,490
Interest income	$ 55,719	

During 2009, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

Registered investment companies	$ 2,082,873

Information included in the Supplemental Schedule of Assets (Held at End of Year) as it relates to Fidelity Management Trust Company was also certified by the Trustee.

SUPPLEMENTAL INFORMATION

Hydranautics 401(k) Profit Sharing Plan
(I.D. #95-2949422 - Plan #001)
Schedule H, Line 4i - Schedule of Assets
(Held at End of Year)

December 31, 2009

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
*	Fidelity Management Trust Co.	Stable Value Common Trust Fund - contract value of $2,417,099; minimum crediting interest of 1.20%	$ -	$ 2,413,941
	Oppenheimer	Oppenheimer Global Fund A	-	857,675
*	Fidelity Management Trust Co.	Fidelity FA New Insights Fund A (formerly Fund T)	-	835,188
	JP Morgan Chase Bank	JP Morgan Equity Index Fund A	-	740,875
*	Fidelity Management Trust Co.	Fidelity FA Freedom 2030 Fund A (formerly Fund T)	-	655,479
*	Fidelity Management Trust Co.	Fidelity Prime Fund	-	633,873
*	Fidelity Management Trust Co.	Fidelity FA Mid Cap II Fund A (formerly Fund T)	-	628,044
*	Fidelity Management Trust Co.	Fidelity FA Freedom 2020 Fund A (formerly Fund T)	-	621,060
*	Fidelity Management Trust Co.	Fidelity FA Divers International Fund A (formerly Fund T)	-	467,345
*	Fidelity Management Trust Co.	Fidelity FA Freedom 2035 Fund A (formerly Fund T)	-	440,731
	RS Investments	RS Partners Fund A	-	395,267
*	Fidelity Management Trust Co.	Fidelity FA Freedom 2025 Fund A (formerly Fund T)	-	384,731
*	Fidelity Management Trust Co.	Fidelity FA Freedom 2015 Fund A (formerly Fund T)	-	331,652
*	Fidelity Management Trust Co.	Fidelity FA Small Cap Fund A (formerly Fund T)	-	320,181
*	Fidelity Management Trust Co.	Fidelity FA Freedom 2040 Fund A (formerly Fund T)	-	305,754
*	Fidelity Management Trust Co.	Fidelity FA Value Strategic Fund A (formerly Fund T)	-	272,108
*	Fidelity Management Trust Co.	Fidelity FA Equity Income Fund A (formerly Fund T)	-	265,323
	Van Kampen Investments	Van Kampen Equity Income Fund A	-	251,207
	T. Rowe Price	T. Rowe Price Blue Chip Growth Fund R	-	232,142
*	Fidelity Management Trust Co.	Fidelity FA High Income Adv Fund A (formerly Fund T)	-	211,569
*	Fidelity Management Trust Co.	Fidelity FA Freedom 2050 Fund A (formerly Fund T)	-	167,984
*	Fidelity Management Trust Co.	Fidelity FA Freedom 2045 Fund A (formerly Fund T)	-	144,055
*	Fidelity Management Trust Co.	Fidelity FA Mortgage Sec Fund A (formerly Fund T)	-	143,241
*	Fidelity Management Trust Co.	Fidelity FA Freedom 2010 Fund A (formerly Fund T)	-	82,769
*	Fidelity Management Trust Co.	Fidelity FA Freedom 2005 Fund A (formerly Fund T)	-	69,403
	Putnam	Equity Income Fund A	-	28,860
*	Fidelity Management Trust Co.	Fidelity FA Freedom Income Fund A (formerly Fund T)	-	21,653
*	Fidelity Management Trust Co.	Fidelity FA Strategic Income Fund A	-	251
*	Participant Loans	Loans - Interest at 4.00% to 8.00%; secured by vested balances	-	762,954
			$ -	$ 12,685,315

*Parties-in-interest

Form **5558**
(Rev. January 2008)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File Certain Employee Plan Returns

► **For Privacy Act and Paperwork Reduction Act Notice, see instructions on page 3.**

OMB No. 1545-0212

File With IRS Only

Part I Identification

A Name of filer, plan administrator, or plan sponsor (see instructions)

Number, street, and room or suite no. (If a P.O. box, see instructions)

City or town, state, and ZIP code

B **Filer's identifying number (see instructions).**

☐ Employer identification number (EIN).

☐ Social security number (SSN)

C Plan name	Plan number	Plan year ending— MM	DD	YYYY
1				
2				
3				

Part II Extension of Time to File Form 5500 or Form 5500-EZ *(see instructions)*

1 I request an extension of time until ____/____/____ to file Form 5500 or Form 5500-EZ.

The application **is automatically approved** to the date shown on line 1 (above) if: **(a)** the Form 5558 is filed on or before the normal due date of Form 5500 or 5500-EZ for which this extension is requested, and **(b)** the date on line 1 is no more than 2½ months after the normal due date.

You must attach a copy of this Form 5558 to each Form 5500 and 5500-EZ filed after the due date for the plans listed in C above.

Note. A signature is not required if you are requesting an extension to file Form 5500 or Form 5500-EZ.

Part III Extension of Time to File Form 5330 *(see instructions)*

2 I request an extension of time until ____/____/____ to file Form 5330.
You may be approved for up to a six (6) month extension to file Form 5330, after the normal due date of Form 5330.

a Enter the Code section(s) imposing the tax . . . . . ► **a**

b Enter the payment amount attached . . . . . ► **b**

c For excise taxes under section 4980 or 4980F of the Code, enter the reversion/amendment date . . . ► **c**

3 **State in detail why you need the extension**

Under penalties of perjury, I declare that to the best of my knowledge and belief, the statements made on this form are true, correct, and complete, and that I am authorized to prepare this application.

Signature ► **Date** ►

HYDRANAUTICS
401(k) PROFIT SHARING PLAN

FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Hydranautics 401(k) Profit Sharing Plan
December 31, 2009 and 2008

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Thomas J. Applegate, CPA
Gregory Bellman, CPA
Robert Cairns, CPA, CVA

CEA, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Eric Eng, CPA
Mark A. Stepka, CPA, CVA
Ellen Williams, CPA

INDEPENDENT AUDITOR'S REPORT

Plan Administrator
Hydranautics 401(k) Profit Sharing Plan
Oceanside, California

We were engaged to audit the Statements of Net Assets Available for Benefits of the Hydranautics 401(k) Profit Sharing Plan as of December 31, 2009 and 2008, and the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2009, and the supplemental schedules for the year ended December 31, 2009 as listed in the accompanying table of contents. These financial statements and schedules are the responsibility of the Plan's management.

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

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

CEA, LLP

October 7, 2010

Hydranautics 401(k) Profit Sharing Plan
Statements of Net Assets Available for Benefits

December 31,	2009	2008
Assets		
Investments (at fair value)		
Registered investment companies	$ 8,874,547	$ 5,647,592
Stable value common trust fund	2,413,941	2,557,940
Interest-bearing cash	633,873	406,569
Loans to participants	762,954	635,389
Total Investments	12,685,315	9,247,490
Total Assets	**12,685,315**	**9,247,490**
Liabilities	-	-
Net Assets Reflecting all Investments at Fair Value	**12,685,315**	**9,247,490**
Adjustments from fair value to contract value for fully benefit-responsive investment contract	3,158	70,147
Net Assets Available for Benefits	**$ 12,688,473**	**$ 9,317,637**

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

Hydranautics 401(k) Profit Sharing Plan
Statement of Changes in Net Assets Available for Benefits

For the Year Ended December 31, 2009

Additions	
Changes in net assets attributed to:	
Investment income:	
Net realized and unrealized appreciation in fair value of investments	$ 2,082,873
Interest	55,719
Participant contributions	1,463,838
Employer contributions	718,666
Rollovers	165,740
Total Additions	4,486,836
Deductions	
Deductions from net assets attributed to:	
Benefits paid to participants	(1,100,717)
Deemed distributions	(6,549)
Administrative expenses	(8,734)
Total Deductions	(1,116,000)
Net Increase	3,370,836
Net assets available for benefits	
Beginning of year	9,317,637
End of year	$ 12,688,473

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

Hydranautics 401(k) Profit Sharing Plan
Notes to Financial Statements

A. DESCRIPTION OF PLAN

The following description of the Hydranautics 401(k) Profit Sharing Plan ("Plan") provides general information only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan was established on October 1, 1987 as a defined contribution plan. The Plan covers all eligible employees of Hydranautics, Inc. (the "Company") and employees of the Company's affiliate, Nitto Technical Corporation, who are 18 years of age or older. Employees are eligible to enroll in the Plan on the first day of each month after having completed 3 months of service. The Plan is a safe harbor 401(k) plan subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions

Upon eligibility, employees are automatically enrolled with 5% deferral, unless they choose to opt out of participating in the Plan. Each year, participants may contribute up to 90% of pre-tax annual compensation as defined in the Plan, subject to certain annual Internal Revenue Service limitations. Participants may also contribute amounts representing distributions from other qualified retirement plans. In order to maintain "safe harbor" status, the Company contributes matching contributions in an amount equal to 100% of the first 3% and 50% of the next 2% employees contributed into the Plan. The Company may also make additional, discretionary contributions to those eligible participants who have worked at least 1,000 hours during the Plan year and are employed on the last day of the Plan year. No additional matching contributions were made during the year ended December 31, 2009.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. Forfeited balances of terminated participants' non-vested accounts will be allocated to pay Plan expenses and used to reduce future employer contributions or pay Plan expenses. 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 and company contributions, plus actual earnings thereon.

Participant Loans

Participants may borrow from their fund accounts a maximum of $50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Plan administrator. Interest rates ranged from 4.00% to 8.00% at December 31, 2009. Principal and interest is paid ratably through payroll deductions.

A. DESCRIPTION OF PLAN (CONTINUED)

Payment of Benefits

Participants are eligible to receive a lump-sum distribution of benefits upon termination of employment, death, disability, retirement or Plan termination. Distributions may also be made for hardship withdrawals, which are authorized by the Plan administrator and conform to the "deemed hardship" standards set forth in Treasury Regulation Section 1.401(k)(d)(2). Such hardship distributions are subject to certain limitations. Benefits are recorded when paid.

Investment Options

Fidelity Management Trust Company as Trustee ("Trustee" or "Fidelity") under a trust agreement holds the assets of the Plan, including all contributions and earnings thereon. Upon enrollment in the Plan, participants may direct contributions into a variety of investment options.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis (See Note F).

Accounting Estimates

The Plan administrator uses estimates and assumptions in preparing the Plan's financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported changes in net assets. Actual results could vary from the estimates that were used.

Valuation of Investments

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note G for discussion of fair value measurements.

Participant loans are valued at cost, which approximates fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risks and Uncertainties

Investments are exposed to various risks, such as interest rate, market fluctuation and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

Plan Expenses

The Company sponsors the Plan. Personnel within the Company perform various administrative services for the Plan. The payroll and related overhead costs associated with these services are not included as Plan expenses. Administrative expenses of the Plan, including record keeping, legal and audit fees, are paid by the Company.

Subsequent Events

The date to which events occurring after December 31, 2009, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is October 7, 2010, which is the date on which the financial statements were available to be issued.

C. INCOME TAX STATUS

The Plan obtained its latest determination letter on October 9, 2003, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Accordingly, no provision for taxes has been included in the Plan's financial statements.

D. PLAN TERMINATION

Although it has not expressed any intent to do so, the Plan sponsor has the right to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will be entitled to their entire account balance.

E. PARTY-IN-INTEREST

There were no party-in-interest transactions between the Plan and Fidelity, other than payment of investment fees from the Plan assets for services rendered.

F. STABLE VALUE COMMON TRUST FUND

Investments held by the Fidelity Stable Value Common Trust Fund were deemed fully benefit-responsive. These investments are reported at fair value in the Statement of Net Assets Available for Benefits. In addition, any difference between the fair value of these investments and their contract value in presented as a separate adjustment line attributable to fully benefit-responsive investment contracts in the Statement of Net Assets Available for Benefits.

At December 31, 2009 and 2008, the Plan's participants had $2,417,099 and $2,628,087, respectively, invested (at contract value) in the Fidelity Stable Value Common Trust Fund. The December 31, 2009 and 2008 statements of net assets reflect the adjustment from fair value to contract value.

The contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. There are no reserves required against contract value for credit risk of the contract issuer. The average yield based on actual income was approximately 3.16% on December 31, 2009. The average yield based on interest rates credited to participants was approximately 1.20% on December 31, 2009. Crediting interest rates are reset periodically and are usually adjusted either monthly or quarterly.

Certain events limit the ability of the Plan to transact at contract value with the issuer. These events include termination of the Plan, a material adverse change to the provisions of the Plan, the employer's election to withdraw from a contract in order to change to a different investment provider or employer initiated event, if material. The Plan Administrator does not believe that the occurrence of any such event is probable

G. FAIR VALUE MEASUREMENTS

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

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

Level 2 Inputs to the valuation methodology include:

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

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

G. FAIR VALUE MEASUREMENTS (CONTINUED)

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.

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

Registered Investment Companies: Valued at the net asset value ("NAV") of shares held by the Plan at year-end.

Stable Value Common Trust Fund: Valued based on the contractual terms of the underlying agreement. The fair value is determined by Fidelity Management Trust Company.

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 fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other Market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

Assets at Fair Value as of December 31, 2009

	Level 1	Level 2	Level 3	Total
Registered investment companies	$ 8,874,547	$ -	$ -	$ 8,874,547
Interest-bearing cash	633,873	-	-	633,873
Stable value common trust fund	-	2,413,941	-	2,413,941
Participant loans	-	-	762,954	762,954
Total assets at fair value	$ 9,508,420	$ 2,413,941	$ 762,954	$12,685,315

G. FAIR VALUE MEASUREMENTS (CONTINUED)

Assets at Fair Value as of December 31, 2008

	Level 1	Level 2	Level 3	Total
Registered investment companies	$ 5,647,592	$ -	$ -	$ 5,647,592
Interest-bearing cash	406,569	-	-	406,569
Stable value common trust fund	-	2,557,940	-	2,557,940
Participant loans	-	-	635,389	635,389
Total assets at fair value	$ 6,054,161	$ 2,557,940	$ 635,389	$ 9,247,490

Level 3 Gains and Losses

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the years ended December 31:

	Level 3 Assets	
	2009	2008
Balance, beginning of year	$ 635,389	$ 450,638
Issuances and settlements (net)	127,565	184,751
Balance, end of year	$ 762,954	$ 635,389

H. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for Plan benefits per the financial statements at December 31, 2009 and 2008 to the Form 5500:

	2009	2008
Net Assets available for benefits per the financial statements	$ 12,688,473	$ 9,317,637
Less: Adjustment from contract value to fair value for the Fidelity Stable Value Common Trust Fund, a fully benefit responsive contract	(3,158)	(70,147)
Net assets available for Plan benefits per Form 5500	$12,685,315	$ 9,247,490

H. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 (CONTINUED)

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

Net increase in net assets available for benefits per the financial statements	$ 3,370,836
Adjustment from fair value to contract value for the Stable Value Common Trust Fund, a fully benefit responsive investment contract at December 31, 2009	(3,158)
Adjustment from fair value to contract value for the Stable Value Common Trust Fund, a fully benefit responsive investment contract at December 31, 2008	70,147
Net increase in net assets available for benefits per Form 5500	$ 3,437,825

I. INVESTMENTS

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

	2009	2008
Fidelity Stable Value Common Trust Fund (contract value) (2,417,099 and 2,628,087 units, respectively)	$ 2,417,099	$ 2,628,087
Oppenheimer Global Fund A (16,179 and 15,497 units, respectively)	857,675	593,207
Fidelity FA New Insights Fund A (formerly Fund T) (48,445 and 48,779 units, respectively)	835,188	646,807
JP Morgan Equity Index Fund A (29,260 and 27,174 units, respectively)	740,875	557,608
Fidelity FA Freedom 2030 Fund A (formerly Fund T) (60,524 and -0- units, respectively)	655,479	*

* Investment did not represent 5% or more of the plan's net assets available for benefits.

J. INFORMATION CERTIFIED BY THE TRUSTEE (UNAUDITED)

At December 31, 2009 and 2008, the Plan's investments were held by the Trustee. The following is a summary of the Plan's financial information that is included in the financial statements based on information certified by the Trustee as complete and accurate in accordance with Section 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

J. INFORMATION CERTIFIED BY THE TRUSTEE (UNAUDITED) (CONTINUED)

The fair value of investments at December 31, 2009 and 2008 as reported by the Trustee is summarized as follows:

	2009	2008
Fidelity Stable Value Common Trust Fund	$ 2,413,941	$ 2,557,940
Oppenheimer Global Fund A	857,675	593,207
Fidelity FA New Insights Fund A (formerly Fund T)	835,188	646,807
JP Morgan Equity Index Fund A	740,875	557,608
Fidelity FA Freedom 2030 Fund A (formerly Fund T)	655,479	430,166
Fidelity Prime Fund	633,873	406,569
Fidelity FA Mid Cap II Fund A (formerly Fund T)	628,044	456,732
Fidelity FA Freedom 2020 Fund A (formerly Fund T)	621,060	348,449
Fidelity FA Divers International Fund A (formerly Fund T)	467,345	336,957
Fidelity FA Freedom 2035 Fund A (formerly Fund T)	440,731	138,059
RS Partners Fund A	395,267	243,309
Fidelity FA Freedom 2025 Fund A (formerly Fund T)	384,731	179,849
Fidelity FA Freedom 2015 Fund A (formerly Fund T)	331,652	120,397
Fidelity FA Small Cap Fund A (formerly Fund T)	320,181	167,305
Fidelity FA Freedom 2040 Fund A (formerly Fund T)	305,754	157,788
Fidelity FA Value Strategic Fund A (formerly Fund T)	272,108	128,268
Fidelity FA Equity Income Fund A (formerly Fund T)	265,323	245,865
Van Kampen Equity Income Fund A	251,207	184,810
T. Rowe Price Blue Chip Growth Fund R	232,142	108,634
Fidelity FA High Income Adv Fund A (formerly Fund T)	211,569	94,755
Fidelity FA Freedom 2050 Fund A (formerly Fund T)	167,984	64,183
Fidelity FA Freedom 2045 Fund A (formerly Fund T)	144,055	55,819
Fidelity FA Mortgage Sec Fund A (formerly Fund T)	143,241	75,706
Fidelity FA Freedom 2010 Fund A (formerly Fund T)	82,769	225,881
Fidelity FA Freedom 2005 Fund A (formerly Fund T)	69,403	43,223
Putnam Equity Income Fund A	28,860	-
Fidelity FA Freedom Income Fund A (formerly Fund T)	21,653	43,815
Fidelity FA Strategic Income Fund A	251	-
Participant Loans	762,954	635,389
	$12,685,315	$ 9,247,490
Interest income	$ 55,719	

During 2009, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

Registered investment companies	$ 2,082,873

Information included in the Supplemental Schedule of Assets (Held at End of Year) as it relates to Fidelity Management Trust Company was also certified by the Trustee.

SUPPLEMENTAL INFORMATION

Hydranautics 401(k) Profit Sharing Plan
(I.D. #95-2949422 - Plan #001)
Schedule H, Line 4i - Schedule of Assets
(Held at End of Year)

December 31, 2009

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
*	Fidelity Management Trust Co.	Stable Value Common Trust Fund - contract value of $2,417,099; minimum crediting interest of 1.20%	$ -	$ 2,413,941
	Oppenheimer	Oppenheimer Global Fund A	-	857,675
*	Fidelity Management Trust Co.	Fidelity FA New Insights Fund A (formerly Fund T)	-	835,188
	JP Morgan Chase Bank	JP Morgan Equity Index Fund A	-	740,875
*	Fidelity Management Trust Co.	Fidelity FA Freedom 2030 Fund A (formerly Fund T)	-	655,479
*	Fidelity Management Trust Co.	Fidelity Prime Fund	-	633,873
*	Fidelity Management Trust Co.	Fidelity FA Mid Cap II Fund A (formerly Fund T)	-	628,044
*	Fidelity Management Trust Co.	Fidelity FA Freedom 2020 Fund A (formerly Fund T)	-	621,060
*	Fidelity Management Trust Co.	Fidelity FA Divers International Fund A (formerly Fund T)	-	467,345
*	Fidelity Management Trust Co.	Fidelity FA Freedom 2035 Fund A (formerly Fund T)	-	440,731
	RS Investments	RS Partners Fund A	-	395,267
*	Fidelity Management Trust Co.	Fidelity FA Freedom 2025 Fund A (formerly Fund T)	-	384,731
*	Fidelity Management Trust Co.	Fidelity FA Freedom 2015 Fund A (formerly Fund T)	-	331,652
*	Fidelity Management Trust Co.	Fidelity FA Small Cap Fund A (formerly Fund T)	-	320,181
*	Fidelity Management Trust Co.	Fidelity FA Freedom 2040 Fund A (formerly Fund T)	-	305,754
*	Fidelity Management Trust Co.	Fidelity FA Value Strategic Fund A (formerly Fund T)	-	272,108
*	Fidelity Management Trust Co.	Fidelity FA Equity Income Fund A (formerly Fund T)	-	265,323
	Van Kampen Investments	Van Kampen Equity Income Fund A	-	251,207
	T. Rowe Price	T. Rowe Price Blue Chip Growth Fund R	-	232,142
*	Fidelity Management Trust Co.	Fidelity FA High Income Adv Fund A (formerly Fund T)	-	211,569
*	Fidelity Management Trust Co.	Fidelity FA Freedom 2050 Fund A (formerly Fund T)	-	167,984
*	Fidelity Management Trust Co.	Fidelity FA Freedom 2045 Fund A (formerly Fund T)	-	144,055
*	Fidelity Management Trust Co.	Fidelity FA Mortgage Sec Fund A (formerly Fund T)	-	143,241
*	Fidelity Management Trust Co.	Fidelity FA Freedom 2010 Fund A (formerly Fund T)	-	82,769
*	Fidelity Management Trust Co.	Fidelity FA Freedom 2005 Fund A (formerly Fund T)	-	69,403
	Putnam	Equity Income Fund A	-	28,860
*	Fidelity Management Trust Co.	Fidelity FA Freedom Income Fund A (formerly Fund T)	-	21,653
*	Fidelity Management Trust Co.	Fidelity FA Strategic Income Fund A	-	251
*	Participant Loans	Loans - Interest at 4.00% to 8.00%; secured by vested balances	-	762,954
			$ -	$ 12,685,315

*Parties-in-interest