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;
- [X] 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
MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(K) PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 08/01/1989

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

260 WESTGATE DRIVE
WATSONVILLE, CA 95076

260 WESTGATE DRIVE
WATSONVILLE, CA 95076

2b Employer Identification Number (EIN)
77-0185497

2c Sponsor's telephone number
831-763-5300

2d Business code (see instructions)
111210

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.	05/02/2011	RAY SELLE
	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")
MONTEREY MUSHROOMS, INC.

260 WESTGATE DRIVE
WATSONVILLE, CA 95076

3b Administrator's EIN
77-0185497

3c Administrator's telephone number
831-763-5300

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	2451
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**	2408
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	195
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	2603
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	2603
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	533
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	408
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)

(1)	X	Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	X	Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(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

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

b General Schedules

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

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance 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.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

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
MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(K) PLAN

B Three-digit plan number (PN) ▶ 002

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

D Employer Identification Number (EIN)
77-0185497

Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions

Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier
PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
42-0127290	61271	613953	2603	01/01/2009	12/31/2009

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

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(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	7028681
5	Current value of plan's interest under this contract in separate accounts at year end	5	0

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.	6d	

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ CUSTODIAL GUARANTEED INTEREST CONTRACT

b	Balance at the end of the previous year			7b	7909154
c	Additions: (1) Contributions deposited during the year	7c(1)	517478		
	(2) Dividends and credits	7c(2)			
	(3) Interest credited during the year	7c(3)	239598		
	(4) Transferred from separate account	7c(4)			
	(5) Other (specify below)	7c(5)	692006		
	▶				
	(6) Total additions			7c(6)	1449082
d	Total of balance and additions (add **b** and **c(6)**)			7d	9358236
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	721765		
	(2) Administration charge made by carrier	7e(2)	21333		
	(3) Transferred to separate account	7e(3)			
	(4) Other (specify below)	7e(4)	1216527		
	▶ 401(K) (M) EXCESS AGG CONTRIBUTION, MISTAKE OF FACT REFUND, LOAN WITHDRAWAL				
	(5) Total deductions			7e(5)	1959625
f	Balance at the end of the current year (subtract **e(5)** from **d**)			7f	7398611

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

a ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance
e ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug
i ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:				
a Premiums: (1) Amount received	**9a(1)**			
(2) Increase (decrease) in amount due but unpaid	**9a(2)**			
(3) Increase (decrease) in unearned premium reserve	**9a(3)**			
(4) Earned (**(1)** + **(2)** - **(3)**)			**9a(4)**	
b Benefit charges (1) Claims paid	**9b(1)**			
(2) Increase (decrease) in claim reserves	**9b(2)**			
(3) Incurred claims (add **(1)** and **(2)**)			**9b(3)**	
(4) Claims charged			**9b(4)**	
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	**9c(1)(A)**			
(B) Administrative service or other fees	**9c(1)(B)**			
(C) Other specific acquisition costs	**9c(1)(C)**			
(D) Other expenses	**9c(1)(D)**			
(E) Taxes	**9c(1)(E)**			
(F) Charges for risks or other contingencies	**9c(1)(F)**			
(G) Other retention charges	**9c(1)(G)**			
(H) Total retention			**9c(1)(H)**	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			**9c(2)**	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			**9d(1)**	
(2) Claim reserves			**9d(2)**	
(3) Other reserves			**9d(3)**	
e Dividends or retroactive rate refunds due. (Do not include amount entered in **c(2)**.)			**9e**	
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			**10a**	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.			**10b**	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

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
MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(K) PLAN

B Three-digit plan number (PN) ▶ 002

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

D Employer Identification Number (EIN)
77-0185497

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

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(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)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(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?
13 37 50 64	CONTRACT ADMINISTRATOR	3775	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

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

WACHOVIA SECURITES, LLX

47-6925809

(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?
27	INVESTMENT ADVISOR	40879	Yes [X] No [ ]	Yes [ ] No [X]	0	Yes [ ] No [X]

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

(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

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(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 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
MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(K) PLAN

B Three-digit plan number (PN) ▶ 002

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

D Employer Identification Number (EIN)
77-0185497

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)	136686	130795
(2) Participant contributions	1b(2)	0	5120
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	311207	539479
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	7937745	10797976
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	7909154	7398611
(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	16294792	18871981
	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		
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	16294792	18871981

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)	130795	
	(B) Participants	2a(1)(B)	1397756	
	(C) Others (including rollovers)	2a(1)(C)	0	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1528551
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
	(B) U.S. Government securities	2b(1)(B)	0	
	(C) Corporate debt instruments	2b(1)(C)	0	
	(D) Loans (other than to participants)	2b(1)(D)	0	
	(E) Participant loans	2b(1)(E)	24557	
	(F) Other	2b(1)(F)	239598	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		264155
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
	(B) Common stock	2b(2)(B)	0	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	135192	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		135192
	(3) Rents	2b(3)		0
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

			(a) Amount	(b) Total
2b	(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
	(B) Other	2b(5)(B)	0	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
	(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
	(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
	(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
	(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
	(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		1934664
c	Other income	2c		-1801
d	Total income. Add all **income** amounts in column (b) and enter total	2d		3860761
	Expenses			
e	Benefit payment and payments to provide benefits:			
	(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1173633	
	(2) To insurance carriers for the provision of benefits	2e(2)	0	
	(3) Other	2e(3)	11200	
	(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1184833
f	Corrective distributions (see instructions)	2f		52912
g	Certain deemed distributions of participant loans (see instructions)	2g		0
h	Interest expense	2h		
i	Administrative expenses: (1) Professional fees	2i(1)	0	
	(2) Contract administrator fees	2i(2)	5153	
	(3) Investment advisory and management fees	2i(3)	40834	
	(4) Other	2i(4)	0	
	(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		45987
j	Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1283732
	Net Income and Reconciliation			
k	Net income (loss). Subtract line 2j from line 2d	2k		2577029
l	Transfers of assets:			
	(1) To this plan	2l(1)		160
	(2) From this plan	2l(2)		0

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: SILICON VALLEY ACCOUNTANCY CORP **(2)** EIN: 77-0573994

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		11618
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		2500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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

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

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

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
MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(K) PLAN

B Three-digit plan number (PN) ▶ 002

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

D Employer Identification Number (EIN)
77-0185497

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): 42-0127290

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):

Monterey Mushrooms, Inc. Tax Deferred 401(k) Plan

Financial Statements and Supplemental Schedules

December 31, 2009 and 2008 and for the year ended December 31, 2009 with Independent Auditors' Report

MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(k) PLAN

Financial Statements and Supplemental Schedules

December 31, 2009 and 2008
and for the year ended December 31, 2009

Table of contents

	Page
Independent Auditors' Report	1
Financial Statements:	
Statements of Net Assets Available for Benefits	2
Statement of Changes in Net Assets Available for Benefits	3
Notes to Financial Statement	4
Supplemental Schedules as of December 31, 2009	12
Schedule H, line 4a – Schedule of Delinquent Participant Contributions	
Schedule H, line 4i – Schedule of Assets (Held at End of Year)	

Silicon Valley Accountancy
Corporation

Certified Public Accountants
and Business Advisors

Independent Auditors' Report

To the Plan Administrator and Participants
of the Monterey Mushrooms, Inc. Tax Deferred 401(k) Plan

We were engaged to audit the financial statements and supplemental schedules of the Monterey Mushrooms, Inc. Tax Deferred 401(k) Plan ("the Plan") as of December 31, 2009 and 2008, and for the year ended December 31, 2009, as listed in the accompanying table of contents. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Delaware Charter Guarantee and Trust Company d/b/a Principal Trust Company ("Principal"), the trustee and custodian 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 Principal holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from Principal as of December 31, 2009 and 2008, and for the year ended December 31, 2009, that the information provided to the Plan Administrator by Principal 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 Principal, 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.

Silicon Valley Accountancy Corporation

SILICON VALLEY ACCOUNTANCY CORPORATION

San Jose, California
April 29, 2011

3150 Almaden Expwy, Suite 105
San Jose, CA 95118
Tel: 408-448-8000
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www.cpas-svac.com

MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2009	2008
Assets:		
Investments, at fair value	$ 17,826,657	$ 15,451,441
Participant loans	539,479	311,207
Assets held for investment purposes	18,366,136	15,762,648
Employer's contribution receivable	130,795	136,686
Participants' contribution receivable	5,120	-
Total assets	18,502,051	15,899,334
Liabilities:		
Contributions refundable	17,117	52,912
Total liabilities	17,117	52,912
Net assets reflecting assets at fair value	18,484,934	15,846,422
Adjustment from fair value to contract value for fully benefit-responsive income fund	369,930	395,458
Net assets available for benefits	$ 18,854,864	$ 16,241,880

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

MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year ended December 31, 2009
Additions to net assets attributed to:	
Investment income:	
Interest and dividends	$ 399,347
Net realized and unrealized appreciation in fair value of investments	1,933,023
Contributions:	
Employer's	130,795
Participants'	1,397,756
Total additions	3,860,921
Deductions from net assets attributed to:	
Withdrawals and distributions	1,201,950
Plan fees	45,987
Total deductions	1,247,937
Net increase in net assets	2,612,984
Net assets available for benefits:	
Beginning of year	16,241,880
End of year	$ 18,854,864

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

NOTE 1 – DESCRIPTION OF PLAN

The following description of the Monterey Mushrooms, Inc. Tax Deferred 401(k) Plan ("the Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General – The Plan is a defined contribution plan that was established on August 1, 1989 covering all eligible employees of Monterey Mushrooms, Inc. and its affiliates (collectively referred to as "the Company" or "Plan Administrator"), as defined in the Plan agreement. The Plan Administrator believes the Plan is designed and operated in compliance with the applicable requirements of the Internal Revenue Code and the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

Administration – An Administrative Committee ("the Committee") manages the operation and administration of the Plan. Delaware Charter Guarantee and Trust Company d/b/a Principal Trust Company ("Principal") is the Plan's trustee, custodian, and maintains the records of participant data.

Contributions – Each year, participants may contribute up to 70% an amount of eligible pretax annual compensation, as defined in the Plan not to exceed the maximum allowed by law. Participants who are 50 or older can elect to make catch-up contributions to the Plan, not to exceed the maximum allowed by law. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

The Company may make discretionary matching contributions to the Plan as determined by the Board of Directors. In 2009, the Company matched 15% of each participant's deferral, up to a maximum deferral percentage of 6% of eligible compensation. The Company's matching contribution is subject to certain eligibility requirements outlined in the Plan document. The Company's matching contribution for 2009 in the amount of $130,795 was a receivable as of December 31, 2009 and was funded in 2010. The Company's matching contribution for year 2008 was $139,718 of which $136,686 is a receivable as of December 31, 2008 and was funded in 2009.

Participant Accounts – Each participant's account is credited with the participant's contribution, the Company's discretionary matching contribution, an allocation of Plan earnings or losses, and Plan fees as applicable to the Plan. Allocations of Plan earnings and losses are based on individual participant investment choices. All contributions/investments are participant directed. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Certain investment and fund fees are charged to the funds and participant accounts and are offset against plan investment income and losses. Participants should refer to the funds' prospectuses for further information on these fees.

Vesting – Participants are immediately vested in their contributions and rollover amounts, if any, plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of credited service at a rate of 20% per year beginning at the end of the first year. A participant is 100% vested after five years of credited service. Participants become fully vested in the event of death, disability, normal retirement age, or Plan termination.

Participant Loans – Participants may borrow from their fund accounts up to a maximum of $50,000 or 50% of their vested account balance, whichever is less. Since April 1, 2007, participant loans are allowed for financial hardship only. The loans are secured by the balance in the participant's account and bear interest at rates, which are commensurate with local prevailing rates as determined by the Plan Administrator. Outstanding loans carry interest rates which range from 4.25% to 8.25% and 4.0% to 10.0% at December 31, 2009 and 2008, respectively. Principal and interest is paid ratably through payroll deductions. Loans must be repaid within a five-year period, unless it is used for the purchase of a principal residence in which case the maximum repayment period may be longer. The Plan Administrator establishes the specific terms and conditions of such loans.

Payment of Benefits – Distributions from the Plan may only be made after specific events have occurred. Participants are eligible for a distribution upon termination of employment, death, retirement, disability and are paid in accordance with Plan provisions. Participants may be eligible to receive distributions up to their vested account balance in the case of financial hardship. Participants are eligible to receive in-service distributions upon attaining age $59^{1/2}$.

Forfeited Accounts – Forfeitures can be used to pay Plan expenses or reallocated to eligible participants. As of December 31, 2009 and 2008, the forfeiture account balance was $4,144 and $1,804, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The accompanying financial statements are prepared on the accrual basis of accounting in accordance with principles generally accepted in the United States of America.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make

estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition – Investments of the Plan are reported at fair value as determined by Principal. 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 5 for discussion of fair value measurements.

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. Net appreciation includes the plan's gains and losses on investments bought and sold as well as held during the year.

The Principal Fixed Income Guaranteed Option fund is valued at contract value as reported by Principal. Fixed Income Guaranteed Option funds 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 assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts. The Principal Fixed Income Guaranteed Option fund is fully benefit-responsive. For the Principal Fixed Income Guaranteed Option fund there is an adjustment between contract and fair value as reflected on the financial statements as of December 31, 2009 and 2008. The average yield earned by the Plan and the average yield credited to participants was approximately 2.89% for 2009 and 3.61% for 2008. The minimum crediting rate is 0% under the contract. The gross crediting interest rate is reset on a periodic basis and is based on the Plan's contract with Principal and ranged from 3.25% to 4.60% for 2009 and from 4.60% to 4.65% for 2008. The gross crediting rate is reduced by a rate level service charge for record-keeping services.

Operating Expenses – Certain expenses incurred for administering the Plan are paid by the Company. Plan administration, investment advisory and management fees are paid by the Plan and charged to participant accounts. Participant loan fees are paid by participants.

Payment of Benefits – Benefits are recorded when paid.

Subsequent Events – The Plan has evaluated subsequent events through April 29, 2011, the date the financial statements were available to be issued.

NOTE 3 – RISKS AND UNCERTAINTIES

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

NOTE 4 – CERTIFIED INFORMATION

In accordance with 29 CFR 2520.103.8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, information certified by Principal regarding the current value of assets held at December 31, 2009 and 2008, and transactions entered into during the year ended December 31, 2009, was used in the preparation of the accompanying financial statements and supplemental schedules. The following table includes the fair values of investment funds that represent 5% or more of the Plan's net assets:

	2009		2008	
Amer Cent Intl Bond Adv Fund	$ 41,682		$ 3	
Columbia Midcap Value A Fund	220,811		212,592	
Eaton Vance LargeCap Value A Fd	1,054,536	*	990,116	*
Fid Advisor Govt Income T Fund	182,529		71,155	
Heartland Value Plus Fund	526,839		376,889	
Janus Adv Mid Cap Growth Fund	-		353,866	
Janus Enterprise S Fund	572,069		-	
JP Morgan Core Bond A Fund	361,884		99,609	
Prin Diversified Interl Sel Fund	725,072		554,215	
Prin Fixed Income Guaranteed Option	7,028,681	*	7,513,696	*
Prin Intl Emerging Mkts Sel Fund	123,474		45	
Prin Inv Lftm Strat Inc Sel Fd	57,307		48,972	
Prin Inv Lifetime 2010 Fd	209,009		159,368	
Prin Inv Lifetime 2015 Fd	605,838		363,249	
Prin Inv Lifetime 2020 Fd	849,763		624,506	
Prin Inv Lifetime 2025 Fd	302,381		257,462	
Prin Inv Lifetime 2030 Fd	539,311		315,259	
Prin Inv Lifetime 2035 Fd	93,175		77,251	
Prin Inv Lifetime 2040 Fd	149,736		93,358	
Prin Inv Lifetime 2045 Fd	48,892		27,645	

Prin Inv Lifetime 2050 Fd	11,121		4,932	
Prin Inv Lifetime 2055 Fd	21,299		107	
Prin LargeCap - S&P 500 Idx	1,467,860	*	1,217,113	*
Prin LargeCap Growth Sel Fund	1,969,224	*	1,704,796	*
Prin MidCap - S&P 400 Idx	169,603		91,538	
Prin SmallCap - S&P 600 Idx	36,516		249	
Value Plus Service Fund	367,575		288,031	
Victory Diversified Stk A Fund	90,470		5,419	
Participant loans	539,479		311,207	
Assets held for Investment Purposes	$18,366,136		$15,762,648	

*Represents 5% or more of Net Assets Available for Benefits.

During the year ended December 31, 2009 interest and dividends income was as follows:

Participants loan interest	$ 24,557
Fixed Income fund income	265,126
Adjustment from fair to contract value for Fixed Income fund	(25,528)
Mutual fund dividends	135,192
Interest and dividends	$399,347

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 for the year ended December 31, 2009:

Mutual funds	$1,933,023

NOTE 5 – FAIR VALUE MEASUREMENTS

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

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.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

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.

Mutual funds: Valued at the net asset value ("NAV") of shares held by the Plan at year end based on closing market prices.

Guaranteed Fixed Income Option: Valued at fair value based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

Participant Loans: Fair value of participant loans is equal to their outstanding balances, less amounts deemed uncollectible as determined by the Plan Administrator.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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, within the fair value hierarchy, the Plan's assets at fair value:

	Assets at Fair Value as of December 31, 2009			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Large U.S. Equity	$ 4,582,090	$ -	$ -	$ 4,582,090
Small/Mid U.S. Equity	1,893,413	-	-	1,893,413
International Equity	848,546	-	-	848,546
Balanced/Asset Allocation	2,887,832	-	-	2,887,832
Short-Term Fixed Income	-	7,028,681	-	7,028,681
Fixed Income	-	586,095	-	586,095
Participant loans	-	-	539,479	539,479
Total assets at fair value	$10,211,881	$7,614,776	$539,479	$18,366,136

	Assets at Fair Value as of December 31, 2008			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Large U.S. Equity	$ 3,917,444	$ -	$ -	$ 3,917,444
Small/Mid U.S. Equity	1,323,165	-	-	1,323,165
International Equity	554,260	-	-	554,260
Balanced/Asset Allocation	1,972,109	-	-	1,972,109
Short-Term Fixed Income	-	7,513,696	-	7,513,696
Fixed Income	-	170,767	-	170,767
Participant loans	-	-	311,207	311,207
Total assets at fair value	$ 7,766,978	$7,684,463	$311,207	$15,762,648

Level 3 Gains and Losses

The following table sets forth a summary of changes in the fair value of the plan's level 3 assets for the year ended December 31, 2009.

	Participant Loans
Balance, December 31, 2008	$311,207
Income	24,557
Purchases, sales, issuances, and settlements (net)	203,715
Balance, December 31, 2009	$539,479

NOTE 6 – RELATED PARTY TRANSACTIONS

Plan investments are managed by Principal. Such transactions, while considered party-in-interest transactions under ERISA regulations, are permitted under the provisions of the Plan and are specifically exempt from the prohibition of party-in-interest transactions under ERISA.

NOTE 7 – TAX STATUS

The Plan has adopted a prototype plan, which received an opinion letter from the Internal Revenue Service dated March 31, 2008. The Plan has been amended since, however, the Plan Administrator believes that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code and state statutes and is exempt from federal income and state franchise taxes.

NOTE 8 – PLAN TERMINATION AND/OR MODIFICATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to amend or terminate the Plan at any time, subject to the provisions of ERISA.

NOTE 9 – RECONCILIATION OF FORM 5500 TO FINANCIAL STATEMENTS

The financial statements are prepared on the accrual basis of accounting and reflect distributions made to participants to pass non-discrimination tests. Such distributions are reflected on the Form 5500 on the cash basis.

NOTE 10 – NON-EXEMPT TRANSACTIONS

Certain participant contributions and loan repayments in the amount of $11,618 made by participants in 2008 and 2009 were not deposited with the custodian on a timely basis. Because of the delay in deposit of the amounts, these contributions are considered prohibited transactions under ERISA. The lost earnings (prohibited transaction amount) and the necessary excise tax filing will be made by the Plan Sponsor in 2011.

NOTE 11 – SUBSEQUENT EVENT

The Plan was amended and restated in 2010 for certain legislative and regulatory changes. Participants should refer to Plan documents for specific changes made to the Plan.

SUPPLEMENTAL SCHEDULES

MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(k) PLAN **EIN: 77-0185497**
PLAN #002

SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
DECEMBER 31, 2009

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
$11,618		$11,618		

*Represents participant contributions and loan repayments in 2008 and 2009 which were deposited late to the Plan. The Plan Sponsor will reimburse the Plan for lost earnings and make the necessary excise tax filing with the IRS in 2011.

See Independent Auditors' Report.

MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(k) PLAN **EIN: 77-0185497**
PLAN #002

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2009

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(e) Current value
*	Amer Cent Intl Bond Adv Fund	Mutual Fund	$ 41,682
*	Columbia Midcap Value A Fund	Mutual Fund	220,811
*	Eaton Vance LargeCap Value	Mutual Fund	1,054,536
*	Fid Advisor Govt Income T Fund	Mutual Fund	182,529
*	Heartland Value Plus Fund	Mutual Fund	526,839
*	Janus Enterprise S Fund	Mutual Fund	572,069
*	JP Morgan Core Bond A Fund	Mutual Fund	361,884
*	Prin Diversified Interl Sel Fund	Mutual Fund	725,072
*	Prin Fixed Income Guaranteed Option	Fixed Income	7,028,681
*	Prin Intl Emerging Mkts Sel Fund	Mutual Fund	123,474
*	Prin Inv Lftm Strat Inc Sel Fd	Mutual Fund	57,307
*	Prin Inv Lifetime 2010 Fd	Mutual Fund	209,009
*	Prin Inv Lifetime 2015 Fd	Mutual Fund	605,838
*	Prin Inv Lifetime 2020 Fd	Mutual Fund	849,763
*	Prin Inv Lifetime 2025 Fd	Mutual Fund	302,381
*	Prin Inv Lifetime 2030 Fd	Mutual Fund	539,311
*	Prin Inv Lifetime 2035 Fd	Mutual Fund	93,175
*	Prin Inv Lifetime 2040 Fd	Mutual Fund	149,736
*	Prin Inv Lifetime 2045 Fd	Mutual Fund	48,892
*	Prin Inv Lifetime 2050 Fd	Mutual Fund	11,121
*	Prin Inv Lifetime 2055 Fd	Mutual Fund	21,299
*	Prin LargeCap - S&P 500 Idx	Mutual Fund	1,467,860
*	Prin LargeCap Growth Sel Fund	Mutual Fund	1,969,224
*	Prin MidCap - S&P 400 Idx	Mutual Fund	169,603
*	Prin SmallCap - S&P 600 Idx	Mutual Fund	36,516
*	Royal Value Plus Service Fd	Mutual Fund	367,575
*	Victory Diversified Stk A Fund	Mutual Fund	90,470
*	Participant loans	Interest from 4.25% to 8.25%	539,479
	Total		$ 18,366,136

* Indicates party-in-interest to the Plan

See Independent Auditors' Report

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

MONTEREY MUSHROOMS, INC. TAX DEFERRED
401(K) PLAN
EIN 77 0185497
PLAN NUMBER 002
PLAN YEAR 01/01/2009 TO 12/31/2009

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
*	Princor Financial Services	Registered Investment Company Prin LargeCap Growth R4 Fund	$ 0.00	$ 1,969,223.55
*	Princor Financial Services	Registered Investment Company Principal Div Intl R4 Fund	$ 0.00	$ 725,072.05
*	Princor Financial Services	Registered Investment Company Prin Intl Emerg Mkts R4 Fund	$ 0.00	$ 123,474.03
*	Princor Financial Services	Registered Investment Company Prin LgCap S&P 500 Idx R4 Fund	$ 0.00	$ 1,467,860.46
*	Princor Financial Services	Registered Investment Company Prin MidCap S&P 400 Idx R4 Fd	$ 0.00	$ 169,603.41
*	Princor Financial Services	Registered Investment Company Prin SmCap S&P 600 Idx R4 Fund	$ 0.00	$ 36,516.16
*	Princor Financial Services	Registered Investment Company Prin LifeTime 2010 R4 Fund	$ 0.00	$ 209,009.17
*	Princor Financial Services	Registered Investment Company Prin LifeTime 2020 R4 Fund	$ 0.00	$ 849,763.09
*	Princor Financial Services	Registered Investment Company Prin LifeTime 2030 R4 Fund	$ 0.00	$ 539,311.23
*	Princor Financial Services	Registered Investment Company Prin LifeTime 2040 R4 Fund	$ 0.00	$ 149,736.30
*	Princor Financial Services	Registered Investment Company Prin LifeTime 2050 R4 Fund	$ 0.00	$ 11,121.16
*	Princor Financial Services	Registered Investment Company Prin LifeTime Str Inc R4 Fund	$ 0.00	$ 57,306.63
	Victory Funds	Registered Investment Company Victory Diversified Stk A Fund	$ 0.00	$ 90,469.48
	American Century Investments	Registered Investment Company Am Cent Intl Bond A Fund	$ 0.00	$ 41,682.46
	JP Morgan Funds	Registered Investment Company JP Morgan Core Bond A Fund	$ 0.00	$ 361,884.12

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

MONTEREY MUSHROOMS, INC. TAX DEFERRED
401(K) PLAN
EIN 77 0185497
PLAN NUMBER 002
PLAN YEAR 01/01/2009 TO 12/31/2009

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	Heartland Funds	Registered Investment Company Heartland Value Plus Fund	$ 0.00	$ 526,838.65
	Columbia Funds	Registered Investment Company Columbia MidCap Value A Fund	$ 0.00	$ 220,811.24
	The Royce Funds	Registered Investment Company Royce Value Plus Service Fund	$ 0.00	$ 367,575.01
	Eaton Vance	Registered Investment Company Eaton Vance Lg-Cap Value A Fd	$ 0.00	$ 1,054,536.22
	Fidelity Investments	Registered Investment Company Fid Advisor Govt Income T Fund	$ 0.00	$ 182,528.64
*	Principal Life Insurance Company	Insurance Company General Prin Fixed Inc Guar Option	$ 0.00	$ 7,398,611.07
*	Princor Financial Services	Registered Investment Company Prin LifeTime 2015 R4 Fund	$ 0.00	$ 605,838.31
*	Princor Financial Services	Registered Investment Company Prin LifeTime 2025 R4 Fund	$ 0.00	$ 302,380.63
*	Princor Financial Services	Registered Investment Company Prin LifeTime 2035 R4 Fund	$ 0.00	$ 93,174.46
*	Princor Financial Services	Registered Investment Company Prin LifeTime 2045 R4 Fund	$ 0.00	$ 48,892.08
*	Princor Financial Services	Registered Investment Company Prin LifeTime 2055 R4 Fund	$ 0.00	$ 21,299.02
	Janus International Holding, LLC	Registered Investment Company JANUS ENTERPRISE S FUND	$ 0.00	$ 572,068.73
	Participant Loans	Range of Interest Rates 8.25% Rates Range From ~~4.00%~~ To ~~10.00%~~ 4.25%	$ 0.00	$ 539,479.00

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