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 01/01/2008 and ending 12/31/2008

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
HANSON MCCLAIN 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1996

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

3620 FAIR OAKS BLVD., STE 300
SACRAMENTO, CA 95864

2b Employer Identification Number (EIN)
68-0372662

2c Sponsor's telephone number
916-979-4055

2d Business code (see instructions)
523900

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.	05/13/2011	STEVEN BURNETT
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	05/13/2011	STEVEN BURNETT
	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")
HANSON MCCLAIN, INC.

3620 FAIR OAKS BLVD., STE 300
SACRAMENTO, CA 95864

3b Administrator's EIN
68-0372662

3c Administrator's telephone number
916-979-4055

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**	143
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**	40
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	82
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	122
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	122
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	122
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	21
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 3E 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)		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)		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)		___ **A** (Insurance Information)
(4)	X	**C** (Service Provider Information)
(5)		**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2008 and ending 12/31/2008

A Name of plan
HANSON MCCLAIN 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
68-0372662

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	648	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	78529	17285
(2) Participant contributions	1b(2)	12080	9149
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	148710	123932
(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)	75701	102029
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	4000402	2562650
(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	4316070	2815045
	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	4316070	2815045

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)	255279	
	(B) Participants	2a(1)(B)	317130	
	(C) Others (including rollovers)	2a(1)(C)	60905	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		633314
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	4121	
	(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)	6990	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		11111
	(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)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-1633218
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		-988793
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	489624	
(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)		489624
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	22608	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		22608
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		512232
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-1501025
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: SHEA LABAGH DOBBERSTEIN (2) EIN: 94-2290202

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			
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
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)

HANSON McCLAIN 401(K) PLAN

FINANCIAL STATEMENTS

Year Ended December 31, 2008

HANSON McCLAIN 401(K) PLAN

Year Ended December 31, 2008

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SHEA LABAGH DOBBERSTEIN

Certified Public Accountants, Inc.

INDEPENDENT AUDITORS' REPORT

TO THE PLAN ADMINISTRATOR AND PARTICIPANTS
OF HANSON McCLAIN 401(K) PLAN

We were engaged to audit the accompanying statement of net assets available for benefits of HANSON McCLAIN 401(K) PLAN (the "Plan") as of December 31, 2008 and the related statement of changes in net assets available for benefits for the year then ended, and the supplemental schedules of Schedule H – Line 4a: Schedule of Delinquent Participant Contributions and Schedule H – Line 4i: Schedule of Assets (Held at End of Year) as of or for the year ended December 31, 2008. 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 Counsel Trust Company, doing business as Mid Atlantic Trust Company, the custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the custodian as of and for the year ended December 31, 2008, 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 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 custodian, 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.

We have compiled the accompanying statement of net assets available for benefits of HANSON McCLAIN 401(K) PLAN as of December 31, 2007 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

505 Montgomery Street, 5TH Floor • San Francisco, CA 94111 • Tel 415 397-4444 • Fax 415 981-0898
1700 S. El Camino Real, Suite 500 • San Mateo, CA 94402 • Tel 650 579-7200 • Fax 650 579-1041

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying 2007 statement of net assets available for benefits and, accordingly, do not express an opinion or any other form of assurance on it.

SHEA LABAGH DOBBERSTEIN
Certified Public Accountants, Inc.



January 26, 2011

HANSON McCLAIN 401(K) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2008 (Audited)	December 31, 2007 (Compiled)
ASSETS		
CASH	$ -	$ 648
INVESTMENTS, AT FAIR VALUE		
Money Market Fund	123,932	148,710
Mutual Funds	2,562,650	4,000,402
Participant Loans	102,029	75,701
TOTAL INVESTMENTS	2,788,611	4,224,813
RECEIVABLES		
Participant Contributions	9,149	12,080
Employer Contributions	17,285	78,529
TOTAL RECEIVABLES	26,434	90,609
NET ASSETS AVAILABLE FOR BENEFITS	$ 2,815,045	$ 4,316,070

See accompanying notes to financial statements.

HANSON McCLAIN 401(K) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year Ended December 31, 2008

ADDITIONS

ADDITIONS TO NET ASSETS ATTRIBUTED TO:	
INTEREST AND DIVIDEND INCOME	$ 46,341
CONTRIBUTIONS	
Participants	317,130
Employer	255,279
Rollover	60,905
TOTAL CONTRIBUTIONS	633,314
TOTAL ADDITIONS	679,655

DEDUCTIONS

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:	
NET DEPRECIATION IN FAIR VALUE OF INVESTMENTS	1,668,448
BENEFITS PAID TO PARTICIPANTS	489,624
ADMINISTRATIVE FEES	22,608
TOTAL DEDUCTIONS	2,180,680
NET DECREASE IN NET ASSETS	(1,501,025)
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	4,316,070
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 2,815,045

See accompanying notes to financial statements.

HANSON McCLAIN 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

NOTE 1 – DESCRIPTION OF THE PLAN

The following description of the HANSON McCLAIN 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 was established by Hanson McClain, Inc. (the "Company") on January 1, 1996, as a defined contribution plan to provide retirement benefits for its employees. The Plan was amended on January 1, 2008 with changes in eligibility provisions as stated below. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") and certain provisions of the Internal Revenue Code ("IRC").

The Plan provides for a Plan administrator who is responsible for keeping accurate and complete records with regard to the Plan's operations, informing participants of changes or amendments to the Plan, ensuring that the Plan conforms to the law and to government regulations and providing participants with any reports and documents required by law.

Effective January 1, 2008, employees of the Company are eligible to participate in the Plan after completing 1 hour of service and are at least 21 years of age. Eligible participants may join the Plan on the first day of each month immediately following the participant's satisfaction of the eligibility requirements. Prior to January 1, 2008, employees of the Company are eligible to participate in the Plan after completing 1 year of service and are at least 21 years of age.

Participant Contributions – Participants may elect to make pre-tax salary contributions and/or after-tax ("Roth" deferrals) salary contributions, subject to an annual maximum amount of $15,500 for 2008. Participants, who are at least 50 years of age by the end of the calendar year, may also make catch-up contributions subject to an annual maximum amount of $5,000 for 2008. Participants may rollover amounts representing distributions from an eligible retirement plan subject to approval by the Plan administrator. Participant contributions are vested and nonforfeitable at all times.

Employer Contributions – The Company makes matching contributions equivalent to 50% of each participant's pretax contribution up to a maximum of 6% of the participant's eligible compensation. The Company also makes safe harbor non-elective contribution equivalent to 3% of the participant's eligible compensation. The Company may also elect to make discretionary profit sharing contributions as determined by the management of the Company. Contributions are subject to certain limitations. There were no discretionary profit sharing contributions made to the Plan for the year ended December 31, 2008.

NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Participant Accounts – The Plan maintains an account for each participant which is credited with the participant's contributions and the Company's matching and safe harbor non-elective contributions and allocations of (a) the Company's discretionary profit sharing contributions, if any, and (b) Plan investment earnings or losses. Allocations are based on participant earnings or account balances, as defined by the Plan agreement. The benefit to which a participant is entitled is the benefit that may be provided from the participant's vested account balance.

Vesting of Plan Benefits – Participants are immediately vested in their voluntary contributions, their rollover contributions, safe harbor non-elective contributions, and actual earnings thereon. Vesting in the Company's matching contributions, discretionary profit sharing contributions (if any) and related earnings thereon are in accordance with the following schedule:

Years of Service	Vested Percentage
Less than 2 years	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Investment Options – Upon enrollment in the Plan, participants are allowed to direct the investments of their account balance into various investment funds offered under the Plan.

Participant Loans – The Plan allows participants to borrow from their vested account balance provided they meet the Plan's eligibility requirements. The minimum loan amount is $1,000 and the maximum loan amount is the lesser of one-half of the participant's vested account balance or $50,000. The term of the loan is not to exceed five years, except for loans used to finance the purchase of a primary residence.

The loan is secured by the vested balance in the participant's account and bears interest at a fixed rate commensurate with the local prevailing rates as determined by the Plan administrator. Interest rates ranged from 5.00% to 9.25% at December 31, 2008 and 5.75% to 9.25% at December 31, 2007. Principal and interest is paid ratably through payroll deductions. Any outstanding loan will become due and payable upon termination of employment.

NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Payment of Benefits – Upon termination of service, including termination due to death, disability or retirement, a participant or beneficiary may elect to receive either a lump-sum distribution or a direct rollover distribution into a qualified plan. A participant may also be eligible for a withdrawal due to financial hardship in certain circumstances. If a terminated participant's balance is between $1,000 and $5,000 and no instructions have been received from such participant, the amount will be rolled over to an individual retirement account plan as designated by the Plan administrator. A balance of less than $1,000 will be distributed to the participant as a lump-sum payment.

Forfeited Accounts – The unvested portion of a participant's account balance is forfeited upon separation of employment. Forfeitures are applied to reduce future employer contributions and to reduce administrative expenses under the Plan. The unapplied forfeiture balance was $6,015 as of December 31, 2008. Forfeitures applied to reduce employer contributions were $14,792 for the year ended December 31, 2008.

Administrative Expenses – Most administrative expenses of the Plan, other than those associated with certain participant directed transactions, such as participant loan fees, are paid by the Company.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Recent Accounting Pronouncements – On June 30, 2009, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles (as amended)*. This standard established the Accounting Standards Codification ("FASB ASC") as the single source of authoritative accounting principles generally accepted in the United States of America recognized by the FASB to be applied by nongovernmental entities. Substantially all previous United States generally accepted accounting principle standards issued by a standard setter are superseded and are codified into the FASB ASC. The FASB ASC is effective for financial statements issued for periods ending after September 15, 2009. The Plan Sponsor believes that the adoption of the FASB ASC has no impact on Plan's statements of net asset available for benefits or changes in net assets available for benefits.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued) – In May 2009, the FASB updated, the *Subsequent Events* topic of the FASB ASC to establish general standards of accounting for and disclosure of events that occurs after the balance sheet date but before financial statements are issued or are available to be issued, requires the disclosure of the date through which Plan management has evaluated subsequent events and the basis for that date, this is which represents the date the financial statements were issued or were available to be issued. This topic is effective in the first interim periods ending after June 15, 2009. The Plan Sponsor believes that the adoption of this update will not have a material impact of the Plan's statements of net asset available for benefits or changes in net assets available for benefits.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results may differ from those estimates.

Investment Valuation and Income Recognition – Investments are reported 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 3 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 or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payments of Benefits – Benefits are recorded when paid.

NOTE 3 – FAIR VALUE MEASUREMENTS

The *Fair Value Measurements and Disclosures* topic of the FASB ASC defines fair value and 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 under this guideline 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, 2008 and 2007.

Money Market Fund: Valued at cost, which represents fair value.

Mutual Funds: Valued based on quoted market prices which represent the net asset value of shares held by the Plan at year-end.

Participant Loans: Valued at amortized cost, which approximates fair value.

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

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 as of December 31, 2008:

	Level 1	Level 2	Level 3	Total
Money Market Funds	$ 123,932	$ -	$ -	$ 123,932
Mutual Funds	2,562,650	-	-	2,562,650
Participant Loans	-	-	102,029	102,029
Total Assets at Fair Value	$ 2,686,582	$ -	$ 102,029	$ 2,788,611

The following table sets forth a summary of changes in the outstanding balance of the Plan's level 3 assets as of December 31, 2008:

	Participant Loans
Balance, Beginning of Year	$ 75,701
Purchases, Sales, Issuances, and Settlements, Net	26,328
Balance, End of Year	$ 102,029

NOTE 4 – INFORMATION CERTIFIED BY THE CUSTODIAN OF THE PLAN

The investment information as of and for the year ended December 31, 2008 was obtained from data that has been certified by Counsel Trust Company, doing business as Mid Atlantic Trust Company ("Mid Atlantic"), the custodian of the Plan, to be complete and accurate. The investment information certified includes the investment assets and the related investment income or loss, and the schedule of assets held at end of year. All investments are in participant directed funds. The contributions are maintained in separate accounts, which are invested in various fund options as directed by each participant. The accounts are credited with actual earnings and unrealized appreciation on the investments and charged for Plan withdrawals, unrealized depreciation on the investments and miscellaneous expenses.

NOTE 4 – INFORMATION CERTIFIED BY THE CUSTODIAN OF THE PLAN (Continued)

The following is a summary of the certified information prepared by Mid Atlantic, furnished to the Plan administrator and included in the Plan's financial statements and supplemental schedules:

	2008 (Audited)	2007 (Compiled)
Money Market Fund:		
Janus Money Market	$ 123,932	$ 148,710
Mutual Funds:		
Ariel Fund	34,768	56,719
Baron Asset	143,345 *	226,896 *
Baron Growth	63,897	99,232
Davis NY Venture A	332,033 *	563,267 *
Dodge & Cox International Stock	132,971	169,176
Dodge & Cox Stock	286,797 *	386,776 *
Fidelity Contrafund	215,576 *	356,760 *
Fidelity Diversified International	300,447 *	559,583 *
Fidelity Growth Company	164,990 *	329,057 *
Fidelity Spartan Extended Mkt Index Inv	114,400	222,382 *
Fidelity Spartan U.S. Equity Index Inv	134,085	204,861
Longleaf Partners Fund	12,155	-
PIMCO Total Return Instl	88,157	18,104
Royce Micro-Cap Consult	52,595	95,191
Royce Premier Inv	74,938	78,614
Rydex NASDAQ-100	70,024	137,963
Seligman Telecom & Info	8,963	13,841
Sound Shore	24,538	25,138
T. Rowe Price Balanced	67,365	65,171
Vanguard Primecap Core	120,091	118,899
Wasatch International Growth	120,515	272,772 *
Total Mutual Funds	2,562,650	4,000,402
Participant Loans	$102,029	$75,701
	$ 2,788,611	$ 4,224,813

*Represents investments that are 5% or greater of the Plan's net assets.

NOTE 4 – INFORMATION CERTIFIED BY THE CUSTODIAN OF THE PLAN (Continued)

The following is a summary of the information certified by Mid Atlantic for the year ended December 31, 2008:

Net Depreciation in Fair Value of Investments	$ 1,668,448
Interest and Dividend Income:	
Dividends	$ 39,351
Interest on Participant Loans	6,990
	$ 46,341

NOTE 5 – RISKS AND UNCERTAINTIES

The Plan provides for various investment options in any combination from among the funds sponsored by Mid Atlantic. Investment securities are exposed to various risks, such as interest rate, market fluctuations and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in investment value in the near term would materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and in the Statement of Changes in Net Assets Available for Benefits.

Further, the underlying securities of the Plan's investments could include securities with contractual cash flows, such as, but not limited to, asset-backed securities, collateralized mortgage obligations, and commercial mortgage-backed securities and real estate. The value, liquidity and related income of these securities may be particularly sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by real or perceived difficulties of the issuers, changes in interest rates and conditions in financial markets.

NOTE 6 – TAX STATUS

The Company adopted a Prototype Plan which received a favorable opinion letter from the IRS on March 31, 2008, which stated that the Plan and related trust are designed in accordance with the applicable sections of the IRC. The Plan administrator believes that the Plan as designed is currently being operated in compliance with the applicable requirements of the IRC. Accordingly, no provision for federal or state income taxes has been made.

NOTE 7 – PLAN TERMINATION

The Company has established the Plan with the expressed intention and expectation that it will continue the Plan. However, if circumstances make it impossible or inadvisable to continue the Plan, the Company reserves the right to terminate it at any time subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts. Benefits will be held in the trust fund which will remain in existence until the Company requests the discontinuance of the trust agreement.

NOTE 8 – NONEXEMPT TRANSACTIONS

During the year ended December 31, 2007, there were delays by the Company in submitting participant contributions to the trust totaling $43,595. The Plan sponsor intends to reimburse the affected participants in 2010 for lost earnings arising from these delays.

NOTE 9 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through January 26, 2011, the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

HANSON McCLAIN 401(K) PLAN

SCHEDULE H – LINE 4a: SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

FEIN: 68-0372662

Plan Number: 001

Year Ended December 31, 2008

		Total that Constitute Nonexempt Prohibited Transactions			
	Participant Contributions Transferred Late to Plan*	Contributions Not Corrected	Contributions Corrected Outside VFCP*	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
2007	$43,595	$43,595	-	-	-
2008	-	-	-	-	-

HANSON McCLAIN 401(K) PLAN

SCHEDULE H – LINE 4i: SCHEDULE OF ASSETS (HELD AT END OF YEAR)

FEIN: 68-0372662

Plan Number: 001

December 31, 2008

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value			(d) Cost	(e) Current Value
		Money Market Fund:				
	Janus Capital Management LLC	Janus Money Market	123,932	Shares		$ 123,932
		Mutual Funds:				
	Ariel Fund	Registered Investment Company	1,473	Shares	^	34,768
	Baron Asset	Registered Investment Company	4,023	Shares	^	143,345
	Baron Growth	Registered Investment Company	2,074	Shares	^	63,897
	Davis NY Venture A	Registered Investment Company	14,057	Shares	^	332,033
	Dodge & Cox International Stock	Registered Investment Company	6,072	Shares	^	132,971
	Dodge & Cox Stock	Registered Investment Company	3,856	Shares	^	286,797
	Fidelity Contrafund	Registered Investment Company	4,763	Shares	^	215,576
	Fidelity Diversified International	Registered Investment Company	13,968	Shares	^	300,447
	Fidelity Growth Company	Registered Investment Company	3,370	Shares	^	164,990
	Fidelity Spartan Extended Mkt Index Inv	Registered Investment Company	5,073	Shares	^	114,400
	Fidelity Spartan U.S. Equity Index Inv	Registered Investment Company	4,203	Shares	^	134,085
	Longleaf Partners Fund	Registered Investment Company	775	Shares	^	12,155
	PIMCO Total Return Instl	Registered Investment Company	8,694	Shares	^	88,157
	Royce Micro-Cap Consult	Registered Investment Company	6,461	Shares	^	52,595
	Royce Premier Inv	Registered Investment Company	6,122	Shares	^	74,938
	Rydex NASDAQ-100	Registered Investment Company	9,214	Shares	^	70,024
	Seligman Telecom & Info	Registered Investment Company	370	Shares	^	8,963
	Sound Shore	Registered Investment Company	1,078	Shares	^	24,538
	T. Rowe Price Balanced	Registered Investment Company	4,795	Shares	^	67,365
	Vanguard Primecap Core	Registered Investment Company	13,478	Shares	^	120,091
	Wasatch International Growth	Registered Investment Company	13,157	Shares	^	120,515
						2,562,650
*	Participant Loans	11 loans receivable bearing interest ranging from 5.00% to 9.25% and with maturity dates ranging from October 2009 to August 2018.			-	102,029
						$ 2,788,611

* Denotes party-in-interest as defined by ERISA.

^ Column (d) Cost is omitted for participant directed investments.

SCHEDULE C (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Service Provider Information

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

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

Official Use Only

OMB No. 1210-0110

2008

This Form is Open to Public Inspection.

For calendar plan year 2008 or fiscal plan year beginning , and ending ,

A Name of plan	**B** Three-digit plan number ▶
HANSON MCCLAIN 401(K) PLAN	001
C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number
HANSON MCCLAIN, INC.	68-0372662

Part I Service Provider Information (see instructions)

1 Enter the total dollar amount of compensation paid by the plan to all persons, other than those listed below, who received compensation during the plan year: **1**

2 On the first item below list the contract administrator, if any, as defined in the instructions. On the other items, list service providers in descending order of the compensation they received for the services rendered during the plan year. List only the top 40. 103-12 IEs should enter N/A in (c) and (d).

(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position
		Contract administrator

(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
			12

(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position
THE NEWPORT GROUP	62-1868111	RECORDKEEPER

(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)
		22608	24

1 0 0 8 6 0 0 1 0 G

Official Use Only

(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position

(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)

(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position

(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)

(a) Name	(b) Employer identification number (see instructions)	(c) Official plan position

(d) Relationship to employer, employee organization, or person known to be a party-in-interest	(e) Gross salary or allowances paid by plan	(f) Fees and commissions paid by plan	(g) Nature of service code(s) (see instructions)

Official Use Only

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

(a) Name _____ **(b)** EIN _____

(c) Position _____

(d) Address _____

(e) Telephone No. _____

Explanation: _____

(a) Name _____ **(b)** EIN _____

(c) Position _____

(d) Address _____

(e) Telephone No. _____

Explanation: _____

(a) Name _____ **(b)** EIN _____

(c) Position _____

(d) Address _____

(e) Telephone No. _____

Explanation: _____

Official Use Only

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 sections 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

2008

This Form is Open to Public Inspection.

For calendar year 2008 or fiscal plan year beginning , and ending ,

A Name of plan HANSON MCCLAIN 401(K) PLAN	**B** Three-digit plan number ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 HANSON MCCLAIN, INC.	**D** Employer Identification Number 68-0372662

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 plan year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits). 26-0010549		
	Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3	Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

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

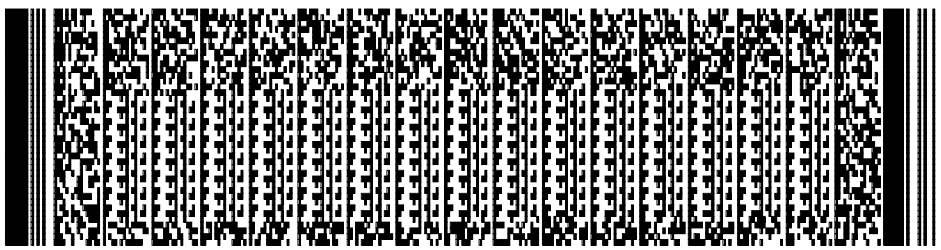
4	Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?		☐ Yes ☐ No ☐ N/A
	If the plan is a defined benefit plan, go to line 7.		
5	If a waiver of the minimum funding standard for a prior plan year is being amortized in this plan year, see instructions, and enter the date of the ruling letter granting the waiver ▶		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.		
6a	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 7 and 8 and complete line 9.		
7	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

8	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. (See instructions.)	☐ Increase ☐ Decrease ☐ No

Part IV Coverage (See instructions.)

9	Check the box for the test this plan used to satisfy the coverage requirements	☒ ratio percentage test	☐ average benefit test





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

Plan Name _____ **EIN:** _____
Plan Sponsor's Name _____ **PN:** _____

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value

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

Plan Name _____ **EIN:** _____
Plan Sponsor's Name _____ **PN:** _____

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value

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

Plan Name _____ **EIN:** _____
Plan Sponsor's Name _____ **PN:** _____

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value

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

Plan Name _____ **EIN:** _____
Plan Sponsor's Name _____ **PN:** _____

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value