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

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
PKL SERVICES, INC. 401(K) RETIREMENT SAVINGS PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2007

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

14265 DANIELSON ST. #C1
POWAY, CA 92064

2b Employer Identification Number (EIN)
47-0906427

2c Sponsor's telephone number
858-679-1755

2d Business code (see instructions)
541990

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.	07/18/2011	LINDA YOUNG
	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")

PKL SERVICES, INC.

14265 DANIELSON ST. #C1
POWAY, CA 92064

3b Administrator's EIN
47-0906427

3c Administrator's telephone number
858-679-1755

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**	332
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**	296
b	Retired or separated participants receiving benefits	**6b**	
c	Other retired or separated participants entitled to future benefits	**6c**	25
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	321
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	
f	Total. Add lines **6d** and **6e**	**6f**	321
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	94
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	7
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 2G 2J 2K 2F 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

- **(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)** [ ] 0 **A** (Insurance Information)
- **(4)** [ ] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
PKL SERVICES, INC. 401(K) RETIREMENT SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
47-0906427

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)	47195	90516
(2) Participant contributions	1b(2)	13089	0
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	20134	24845
(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)	734032	1149488
(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	814450	1264849
	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	814450	1264849

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)	90516	
	(B) Participants	2a(1)(B)	318829	
	(C) Others (including rollovers)	2a(1)(C)	17663	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		427008
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	930	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		930
	(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)		98556
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		526494
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	75070	
(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)		75070
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	1025	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1025
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		76095
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		450399
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: SLABAUGH ACCOUNTANCY CORPORATION (2) EIN: 33-0886460

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		85000
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

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
PKL SERVICES, INC. 401(K) RETIREMENT SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
47-0906427

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): 95-6817943

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):

PKL SERVICES, INC.
401(k) RETIREMENT SAVINGS PLAN

FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE

FOR THE YEAR ENDED
DECEMBER 31, 2010

PKL SERVICES, INC.
401(k) RETIREMENT SAVINGS PLAN

FOR THE YEAR ENDED DECEMBER 31, 2010

TABLE OF CONTENTS

FINANCIAL STATEMENTS

Report of Independent Auditors 1
Statements of Net Assets Available for Benefits 2
Statement of Changes in Net Assets Available for Benefits 3
Notes to Financial Statements 4-13

SUPPLEMENTAL SCHEDULE*

Form 5500, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) 14

* All other schedules required by the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

SLABAUGH
ACCOUNTANCY
CORPORATION

REPORT OF INDEPENDENT AUDITORS

To the Plan Administrative Committee
PKL Services, Inc. 401(k) Retirement Savings Plan
Poway, California

We were engaged to audit the financial statements and supplemental schedule of the PKL Services, Inc. 401(k) Retirement Savings Plan (the "Plan") as of December 31, 2010, and for the year then ended, as listed in the accompanying table of contents. These financial statements and supplemental schedule are the responsibility of the Plan's management. The financial statements of the Plan as of December 31, 2009 were audited by other auditors. 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 ("ERISA"), the Plan Administrator instructed the other auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by the Trustee of the Plan. Their report, dated June 10, 2010, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not, express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements, other than that derived from the information certified by the Trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

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 information summarized in Note D, which was certified by Capital Bank and Trust Company, the Custodian and Trustee of the Plan, except for comparing the information with the related information included in the 2010 financial statements and supplemental schedule. We have been informed by the Plan Administrator that the Custodian/Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certifications from the Custodian/Trustee as of and for the year ended December 31, 2010, that the information provided to the Plan Administrator by the Custodian/Trustee is complete and accurate.

Because of the significance of the information in the Plan's 2010 financial statements and supplemental schedule that we did not audit, we are unable to, and do not, express an opinion on the accompanying 2010 financial statements and supplemental schedule taken as a whole. The form and content of the information included in the 2010 financial statements and supplemental schedule, other than that derived from the information certified by the Custodian/Trustee, 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 United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

San Diego, California
May 31, 2011



7878 Clairemont Mesa Blvd., Suite I • San Diego, California 92111
E-mail: SlabaughAccountancy@saccpa.net
Telephone: 858.636.7911 • Fax: 858.636.7931

PKL SERVICES, INC.
401(k) RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

AS OF DECEMBER 31, 2010 AND 2009

	December 31,	
ASSETS	2010	2009
Investments, at fair value	$ 1,141,614	$ 730,917
Interest bearing cash	7,874	3,115
Total Investments	1,149,488	734,032
Contributions Receivable		
Participant	-	13,089
Employer	90,516	47,195
Notes receivable from participants	24,845	20,134
Total Assets	1,264,849	814,450
LIABILITIES	-	-
NET ASSETS AVAILABLE FOR BENEFITS	$ 1,264,849	$ 814,450

See Notes to Financial Statements and Report of Independent Auditors.

PKL SERVICES, INC.
401(k) RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2010

ADDITIONS		
Contributions		
Employer contributions	$	90,516
Participant contributions		336,492
Total Contributions		427,008
Investment Income		
Net investment gain (loss) and net appreciation in fair value of investments		80,330
Interest and dividends		19,156
Net Investment Income		99,486
Total Additions		526,494
DEDUCTIONS		
Deductions from net assets attributed to		
Benefit payments and termination distributions to participants		75,070
Investment fees and administrative expenses		1,025
Total Deductions		76,095
Increase in Net Assets Available for Benefits		450,399
Net Assets Available for Benefits at the Beginning of Plan Year		814,450
NET ASSETS AVAILABLE FOR BENEFITS AT THE END OF PLAN YEAR	$	1,264,849

See Notes to Financial Statements and Report of Independent Auditors.

PKL SERVICES, INC.
401(k) RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE A DESCRIPTION OF THE PLAN

The following description of the PKL Services, Inc. 401(k) Retirement Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan Agreement and Summary Plan Description for a more complete description of the Plan's provisions.

General

Effective January 1, 2007, PKL Services, Inc., (the "Company", "Sponsor", or "Employer") established and adopted the Plan for its employees.

The Plan is a 401(k) profit sharing plan covering the employees of the Company, and provides employees the opportunity to make tax deferred contributions to accumulate funds for their retirement. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Internal Revenue Code ("IRC"). The Plan has also been restated to conform to the Federal EGTRRA tax act and various tax legislation known collectively as the GUST Amendments. Capital Bank Trust and Company, the Plan Investment Custodian and Trustee ("Custodian/Trustee"), holds and invests the Plan assets and executes Plan transactions. Various key employees of the Sponsor act as the Plan Administrator. The Plan has contracted with Financial Administrative Services Corporation to provide services as the third-party recordkeeper for the Plan. The Plan is administered by an Administrative Committee consisting of one or more persons appointed by the Board of Directors of the Company.

Plan Eligibility

Employees of the Company, including those who are covered by a collective bargaining agreement, are eligible to participate in the Plan. The Plan is a defined contribution 401(k) salary savings plan covering substantially all employees who have reached the age of 21 and have attained one year of qualified service. Enrollments are allowed on the first day of the month following the start of employment.

Participant Contributions

Participants may contribute, and therefore defer for income tax purposes, a portion of their annual compensation, not to exceed the maximum contribution allowable under the IRC. The maximum annual contribution allowed by the Internal Revenue Service ("IRS") for each participant was $16,500 ($22,000 for those attaining age 50) during the calendar year 2010. Contributions are made through authorized payroll withholdings of up to 100% of compensation per pay period, as designated by each participant. Participants may also contribute rollover amounts representing distributions from other qualified plans. Each participant's account is segregated and all investment assets are participant-directed within each account.

Employer Contributions

The Plan provides a safe-harbor matching contribution whereby the Company matches 100% of participants' elective deferrals, up to 2% of eligible compensation. Participants are 100% vested in these safe-harbor matching contributions. Employer safe-harbor matching contributions received by the Plan were $90,516 and $47,195 for the years ended December 31, 2010 and 2009, respectively.

NOTE A DESCRIPTION OF THE PLAN (CONTINUED)

Employer Contributions (Continued)

The Company may make an additional discretionary contribution which shall be allocated to each eligible employee in proportion to his or her compensation as a percentage of the compensation of all eligible employees. For the year ended December 31, 2010 and 2009, the Company made no such contributions to the Plan.

Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each account is credited with the participant's salary deferral contributions and rollover contributions, the Employer's matching and discretionary contributions, if any, and an allocation of Plan earnings, losses and expenses. Allocations are based on employee compensation or account balances, as defined in the Plan Agreement. The benefit to which a participant is entitled is the benefit that can be provided from the vested balance in the participant's account.

Vesting

The portions of the participant's account attributable to elective deferral contributions, rollover contributions, and Employer safe-harbor matching contributions, plus the actual earnings thereon, are 100% vested and non-forfeitable.

The amounts allocated to each participant's account as Employer discretionary contributions vest (i.e., become non-forfeitable) in accordance with the following vesting schedule:

Years of Service	Vesting Percentage
Less than 2	–
2 or more	20%
3 or more	40%
4 or more	60%
5 or more	80%
6 or more	100%

A year of service is defined as any year in which an employee works at least 1,000, or equivalent, hours of service. Upon attainment of age 65, death, disability or termination of the Plan, participants become fully vested in their account balance.

Investment Options

Upon enrollment in the Plan, participants may direct their salary deferral contributions, their share of any Employer contributions, and any rollover contributions, into any of the twenty-one (21) diversified investment alternatives as made available by the Plan Administrator, which are more fully described in the Plan's literature. At any time during the year, participants may directly make changes to their salary deferral percentage or to the percentage allocated to each investment fund within their account.

NOTE A DESCRIPTION OF THE PLAN (CONTINUED)

Benefit Payments and Other Distributions

Distributions from a participant's account, generally made upon termination of employment, disability, retirement, or death, are in the form of lump-sum distributions or a series of annuitized benefit payments. The benefit, to which a participant is entitled to receive, is the benefit that can be provided from the vested portion of the participant's account. Distributions made during the participant's employment are limited to financial requirements meeting the hardship provisions of the Plan or upon the participant attaining age 59 ½. Distributions may not be delayed beyond the year in which a participant attains the age of 70 ½, pursuant to IRS regulations.

Notes Receivable from Participants

The Plan is permitted to make loans to participants up to a maximum of the lesser of $50,000 or 50% of a participant's vested account balance. The loans bear interest at a rate commensurate with local prevailing rates as determined by the Plan Administrator. At December 31, 2010, the interest rates ranged from 4.25% to 6.25% on the participants' loan balances, with individual maturities to August 2014. Loans for active participants are repaid through payroll withholdings, generally over five years, although participants may select a shorter term. Outstanding loans become due and payable upon a participant's termination of employment with the Company.

Forfeiture Accounts

The Plan provides that non-vested Employer contribution balances, in the accounts of terminated employees, become forfeitures. These balances are available to reduce Employer contributions. As of December 31, 2010 there were no unallocated forfeiture balances.

Plan Termination Provision

Although the Plan Sponsor has not expressed any intent to do so, it has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, all participants' accounts become fully vested and non-forfeitable. Also, in the event of Plan termination or investment liquidation, there may be reductions to participant accounts due to early withdrawal charges on certain funds.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies, which conform with accounting principles generally accepted in the United States of America, have been applied consistently in the preparation of the Plan's financial statements:

Basis of Accounting

The financial statements of the Plan are prepared accrual method of accounting, in conformity with accounting principles generally accepted in the United States of America.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

Effective September 15, 2009 the Plan adopted FASB issued SFAS No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles.* SFAS No. 168 establishes the FASB Accounting Standards Codification (ASC) as the sole source of authoritative accounting principles recognized by the FASB to be applied by nonpublic entities in the preparation of financial statements in conformity with GAAP (the GAAP hierarchy).

In September 2006, the Financial Accounting Standards Board issued FASB ASC 820-10, *Fair Value Measurement and Disclosure* (formerly SFAS 157 *Fair Value Measurements*). This pronouncement was adopted by the Plan effective January 1, 2008, and defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. FASB ASC 820-10 emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and requires that a fair value measurement should be determined based on the assumption that market participants would use in pricing the asset or liability (Note C).

The adoption of FASB 820-10 did not have a material impact on the financial statements of the Plan.

In September 2009, the FASB issued ASC Update ("ASU") 2009-12, *Fair Value Measurements and Disclosures (Topic 820) – Investment in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)*. This update provides guidance on estimating the fair value of a company's investments in investment companies when the investment entity calculates net asset value per share, but does not have a readily determinable fair value. It permits the use of the investment's net asset value as a practical expedient to determine fair value. The guidance also requires additional disclosure of the attributes of these investments such as: (i) the nature of any restrictions on the reporting entity's ability to redeem its investment; (ii) unfunded commitments; and (iii) investment strategies of the investees. This guidance is effective for periods ending after December 15, 2009. The adoption of ASU 2009-12 did not have a material impact on the Plan's financial statements.

In January 2010, the FASB issued ASU No. 2010-06, *Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements* (ASU 2010-06). ASU 2010-06 amends Subtopic 820-10 to require disclosure of the transfers in and out of Levels 1 and 2. The update also requires additional information for Level 3 related to purchases, sales, issuances and settlements, and requires more detailed disclosure regarding valuation techniques and inputs. ASU 2010-06 as it relates to Levels 1 and 2 is effective for fiscal years and interim periods beginning after December 15, 2009. Requirements relating to Level 3 are effective for fiscal years and interim period beginning after December 15, 2010. The Plan adopted the current effective provisions of ASU 2010-06 during January 2010, and its application did not have a material impact on the Plan's financial statements.

In September 2010, the Financial Accounting Standards Board (FASB) released Accounting Standards Update (ASU) 2010-25, *Reporting Loans to Participants by Defined Contribution Pension Plans*. The ASU clarifies how loans to participants should be classified and measured by defined contribution pension benefit plans. Participant loans were previously classified as investments at fair value in accordance with ASC 962-325-45-10. ASU 2010-25 requires that participant loans be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. As permitted under the ASU, the Plan has retrospectively adopted the ASU for the Plan year ending December 31, 2009.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

The adoption of ASU 2010-25 did not have a material impact to the presentation of the statement of net assets available for benefits.

In April 2009, the FASB issued ASC 820-10-65 (previously FSP FAS 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Indentifying Transactions That Are Not Orderly)*, which provides additional guidance for estimating fair value in accordance with ASC 820 when the volume and level of activity for the asset or liability have significantly decreased. ASC 820-10-65 also requires additional disclosures relating to fair value measurement inputs and valuation techniques, as well as providing disclosures for all debt and equity investment securities by major security types rather than by major security categories that should be based on the nature and risks of the security during both interim and annual periods. The adoption of this ASC resulted in additional disclosures which are presented in Note C.

As of January 1, 2010 the Plan had adopted FASB ASC 740-10 (formerly FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*). FASB ASC 740-10 interprets the guidance in FASB ASC 740 (formerly SFAS No. 109, *Accounting for Income Taxes*) with implementation of FASB ASC 740-10 reporting entities will utilize different thresholds and measurement requirements when compared to prior technical literature. The interpretation requires that computation of current and deferred income tax assets and liabilities only consider tax positions that are more likely than not to be sustained if the taxing authority examined the position. The Plan has no uncertain tax position that qualifies for either recognition or disclosure in the financial statements (Note G).

In 2009, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2009-06 *Implementation Guidance on Accounting for Uncertainty in income Taxes and Disclosure Amendments for Nonpublic Entities.* This pronouncement provides implementation guidance to not-for-profit entities with respect to uncertain tax positions, including such areas as whether the organization is subject income taxes for unrelated business income, or the status of the organization's classification as an entity exempt from taxes under Federal and State tax regulations. As a result of this pronouncement, the Plan Administrator evaluates tax positions and has determined that there are no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Valuation of Investments

The Plan's investments, which consist primarily of shares in registered investment company mutual funds are reported at the value reported to the Plan by the Plan's Trustee, which approximates fair value, as described in Note D.

Investment Income and Investment Gains and Losses

The investment income category "interest and dividends," as reflected in the accompanying "statement of changes in net assets available for benefits," consists primarily of interest earnings. The category "net investment gain (loss) and net appreciation in fair value of investments," also presented in the "statement of changes in net assets available for benefits," consists of the net realized gains or losses from executed trades and unrealized appreciation or depreciation in the current fair value of the investments, as determined by the average cost method.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Administrative Expenses

Expenses to the Plan, including legal, audit, administrative, and trustee expenses, are generally paid by the Company, with the exception of certain administrative expenses which are paid for by the Plan and charged to the participants' accounts.

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 "statement of net assets available for benefits" and the "statement of changes in net assets available for benefits."

Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles requires the Plan management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Payment of Benefits

Benefit payments to participants are recorded in the financial statements as a reduction of assets available for benefits, as of the date the distribution is paid.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

NOTE C FAIR VALUE MEASUREMENT

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefit. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

- Level 1 - Inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.

- Level 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

NOTE C FAIR VALUE MEASUREMENT (CONTINUED)

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

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

The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Mutual Funds: These investments are public investment vehicles valued at the net asset value (NAV) of shares held by the Plan at year-end. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding.

The following table sets forth, by appropriate level within the fair value hierarchy, the Plan's assets at fair value at December 31, 2010 and 2009:

	Assets at Fair Value Measurements as of December 31, 2010, Utilizing:		
	Quoted Market Price Inputs (Level 1)	Significant Other Observable Inputs (Level 2)	Total Fair Value
Interest Bearing Cash	$ 7,874	$ -	$ 7,874
Mutual Funds:			
Growth funds	-	435,922	435,922
Growth and income funds	-	195,141	195,141
Equity-income funds	-	126,137	126,137
Balanced funds	-	45,663	45,663
Bond funds	-	83,521	83,521
Money market funds	-	10,836	10,836
Target date funds	-	244,394	244,394
Total Mutual Funds	$ -	$ 1,141,614	$ 1,141,614
Total	$ 7,874	$ 1,141,614	$ 1,149,488

NOTE C FAIR VALUE MEASUREMENT (CONTINUED)

	Assets at Fair Value Measurements as of December 31, 2009, Utilizing		
	Quoted Market Price Inputs (Level 1)	Significant Other Observable Inputs (Level 2)	Total Fair Value
Interest Bearing Cash	$ 3,115	$ -	$ 3,115
Mutual Funds:			
Growth funds	-	269,833	269,833
Growth and income funds	-	122,419	122,419
Equity-income funds	-	81,742	81,742
Balanced funds	-	24,683	24,683
Bond funds	-	49,839	49,839
Money market funds	-	8,539	8,539
Target date funds	-	173,862	173,862
Total Mutual Funds	$ -	$ 730,917	$ 734,032
Total	$ 3,115	$ 730,917	$ 734,032

NOTE D INVESTMENTS AND INFORMATION CERTIFIED BY THE CUSTODIAN/TRUSTEE (UNAUDITED)

The Plan Administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Accordingly, as permitted under such election, the Plan Administrator instructed the Plan's independent auditor not to perform any auditing procedures with respect to the following information certified by the Plan's Custodian and Trustee, Capital Bank and Trust Company, except for comparing such information certified by the Custodian/Trustee to information included in the Plan's financial statements and supplemental schedule.

Plan assets are held by Capital Bank and Trust Company (the "Custodian/Trustee") who is responsible for the valuation and maintenance of all accounting records and the preparation of reports of activity related to those assets. Capital Bank and Trust Company has certified to the Plan Administrator the completeness and accuracy of the financial information and data presented in the December 31, 2010 "statements of net assets available for benefits" and in the "statement of changes in net assets available for benefits" for the year ended December 31, 2010. Financial information relating to assets included in the accompanying financial statements is based on the following information provided by the Custodian/Trustee.

NOTE D INVESTMENTS AND INFORMATION CERTIFIED BY THE CUSTODIAN/TRUSTEE (UNAUDITED) (CONTINUED)

The following table presents the fair value of the participant-directed investments in this Plan that were certified as complete and accurate by Capital Bank and Trust Company. Single investments representing 5% of the Plan's "net assets available for benefits" as of December 31, 2010 and 2009 are separately identified.

	December 31,	
	2010	2009
AF Europacific Growth	$ 220,673	$ 131,534
AF Capital World Growth & Income	163,439	99,741
AF Capital Income Builder	91,641	61,623
AF Growth Fund of America	96,665	62,346
AF 2020 Target Retirement	*	42,425
AF New Perspective	118,584	75,953
2025 Target Retirement	61,447	*
AF US Government Securities	59,550	*
Other funds not exceeding 5% of Plan end of each Plan year	337,489	260,410
	$ 1,149,488	$ 734,032

*Did not exceed 5% of net assets in each year presented.

Capital Bank and Trust Company also certified to the completeness and accuracy of the "net investment gains and losses, and net appreciation in fair value of investments" of $80,330 and "interest and dividends" of $19,156, relative to the aforementioned investments for the year ended December 31, 2010.

The market volatility of equity-based investments is expected to substantially impact the value of such investments at any given time. It is possible that the value of the Plan's investments, both in total and within the individual accounts of participants, has declined subsequent to December 31, 2010.

NOTE E ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consisted principally of registered investment company mutual funds were held and managed by the Custodian/Trustee of the Plan.

Company contributions were held and managed by the Custodian/Trustee, which invested cash received, interest and dividend income and made distributions to participants.

Certain administrative functions were performed by officers or employees of the Sponsor. No such officer or employee received compensation from the Plan. Administrative expenses were paid primarily by the Plan Sponsor, with the exception of certain Trustee fees that were paid by the Plan.

NOTE F RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Substantially all of the Plan's investments in registered investment company mutual funds were managed by the Plan's Custodian and Trustee, Capital Bank and Trust. These transactions qualify as exempt party-in-interest (related party) transactions. Fees paid to the Custodian for investment management services are paid by the Plan. During the year ended December 31, 2010, there were no prohibited party-in-interest (related party) transactions between the Plan and any party-in-interest.

NOTE G TAX STATUS

The Plan has adopted a non-standardized adoption agreement with American Funds, who has received a determination letter from the IRS indicating that the Plan and related Trust are designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the determination letter, the Plan's Trustee and Administrative Committee believe that the Plan is designed and is being operated in compliance with the applicable requirements of the IRC. Accordingly, they believe the Plan was qualified, and the related Trust was tax-exempt, as of the date of these financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for Plan years prior to tax year 2007.

NOTE H SUBSEQUENT EVENTS

During the fiscal year ended December 31, 2010, the Plan adopted Financial Accounting Standards Board (FASB) ASC 855-10, *Subsequent Events*, (formerly Statement of Financial Accounting Standards 165). This standard establishes general standards of accounting for and disclosure of events that occur after the statement of financial position date but before statements are available to be issued. All events or transactions have been evaluated that occurred after December 31, 2010 through May 31, 2011, the date these financial statements were available to be issued. During this period there were no material recognizable subsequent events.

PKL SERVICES, INC.
401(k) RETIREMENT SAVINGS PLAN

SUPPLEMENTAL SCHEDULE

FOR THE YEAR ENDED
DECEMBER 31, 2010

PKL SERVICES, INC.
401(k) RETIREMENT SAVINGS PLAN

FORM 5500, SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
SPONSOR EIN 47-0904627, PLAN NUMBER 001

DECEMBER 31, 2010

(a)	(b) Identity of Issuer	(c) Identity of Investment/Description	(d) Cost	(e) Current Fair Value
		Registered Investment Company Mutual Funds:		
*	American Funds	AF Europacific Growth	$ -	$ 220,673
*	American Funds	AF Capital World Growth & Income	-	163,439
*	American Funds	AF New Perspective	-	118,584
*	American Funds	AF Growth Fund of America	-	96,665
*	American Funds	AF Capital Income Builder	-	91,641
*	American Funds	AF 2020 Target Retirement	-	54,521
*	American Funds	AF 2040 Target Retirement	-	49,987
*	American Funds	AF 2050 Target Retirement	-	20,336
*	American Funds	AF US Govt Securities	-	59,550
*	American Funds	AF Balanced	-	45,663
*	American Funds	AF 2025 Target Retirement	-	61,447
*	American Funds	American Funds Wash Mutual	-	31,702
*	American Funds	AF Income Fund of America	-	34,496
*	American Funds	AF 2045 Target Retirement	-	15,827
*	American Funds	AF Bond Fund of America	-	23,971
*	American Funds	AF 2035 Target Retirement	-	11,695
*	American Funds	AF Money Market Fund	-	10,836
*	American Funds	AF 2030 Target Retirement	-	15,362
*	American Funds	AF 2010 Target Retirement	-	184
*	American Funds	AF 2015 Target	-	15,035
		Other:	-	-
*	American Funds	Interest bearing cash	-	7,874
			Total Investment Assets	1,149,488
*	Notes receivable from participants	Interest rates ranging from 4.25% to 6.25 %, maturing through December 2014.	-0-	24,845
			Total Assets	$ 1,174,333

*Represents an investment with a party-in-interest.

The above information, with the exception of the participant loans, has been certified as complete and accurate to the best of their knowledge by Capital Bank and Trust Company, the Investment Custodian/Trustee.

Column (d) is not required to present cost information as all investments are participant-directed.

See Report of Independent Auditors.

PKL SERVICES, INC.
401(k) RETIREMENT SAVINGS PLAN

FORM 5500, SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
SPONSOR EIN 47-0904627, PLAN NUMBER 001

DECEMBER 31, 2010

(a)	(b) Identity of Issuer	(c) Identity of Investment/Description	(d) Cost	(e) Current Fair Value
		Registered Investment Company Mutual Funds:		
*	American Funds	AF Europacific Growth	$ -	$ 220,673
*	American Funds	AF Capital World Growth & Income	-	163,439
*	American Funds	AF New Perspective	-	118,584
*	American Funds	AF Growth Fund of America	-	96,665
*	American Funds	AF Capital Income Builder	-	91,641
*	American Funds	AF 2020 Target Retirement	-	54,521
*	American Funds	AF 2040 Target Retirement	-	49,987
*	American Funds	AF 2050 Target Retirement	-	20,336
*	American Funds	AF US Govt Securities	-	59,550
*	American Funds	AF Balanced	-	45,663
*	American Funds	AF 2025 Target Retirement	-	61,447
*	American Funds	American Funds Wash Mutual	-	31,702
*	American Funds	AF Income Fund of America	-	34,496
*	American Funds	AF 2045 Target Retirement	-	15,827
*	American Funds	AF Bond Fund of America	-	23,971
*	American Funds	AF 2035 Target Retirement	-	11,695
*	American Funds	AF Money Market Fund	-	10,836
*	American Funds	AF 2030 Target Retirement	-	15,362
*	American Funds	AF 2010 Target Retirement	-	184
*	American Funds	AF 2015 Target	-	15,035
		Other:	-	-
*	American Funds	Interest bearing cash	-	7,874
			Total Investment Assets	1,149,488
*	Notes receivable from participants	Interest rates ranging from 4.25% to 6.25 %, maturing through December 2014.	-0-	24,845
			Total Assets	$ 1,174,333

*Represents an investment with a party-in-interest.

The above information, with the exception of the participant loans, has been certified as complete and accurate to the best of their knowledge by Capital Bank and Trust Company, the Investment Custodian/Trustee.

Column (d) is not required to present cost information as all investments are participant-directed.