

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 <u>01/01/2010</u> and ending <u>12/31/2010</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ 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 <u>MAXWELL SYSTEMS, INC. 401(K) PLAN</u>	1b Three-digit plan number (PN) ► <u>001</u> 1c Effective date of plan <u>01/01/1993</u>
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>MAXWELL SYSTEMS, INC.</u> <u>1000 FIRST AVE. STE. 200</u> <u>KING OF PRUSSIA, PA 19406</u>	2b Employer Identification Number (EIN) <u>23-1723672</u> 2c Sponsor's telephone number <u>800-688-8226</u> 2d Business code (see instructions) <u>541512</u>

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	<u>Filed with authorized/valid electronic signature.</u>	<u>08/17/2011</u>	<u>WILLIAM TOBIA</u>
	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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") MAXWELL SYSTEMS, INC. 1000 FIRST AVE. STE. 200 KING OF PRUSSIA, PA 19406	3b Administrator's EIN 23-1723672 3c Administrator's telephone number 800-688-8226
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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
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5 Total number of participants at the beginning of the plan year	5	272
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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	208
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	61
d Subtotal. Add lines 6a , 6b , and 6c	6d	269
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	269
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	230
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	24

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 3D 2E 2J 3H 2K 2F 2G 2S

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) ☒ 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) ☒ Trust (4) ☐ General assets of the sponsor
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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) ☒ **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) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☒ ¹ **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☐ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan MAXWELL SYSTEMS, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500. MAXWELL SYSTEMS, INC.		
D Employer Identification Number (EIN) 23-1723672		

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
GREAT WEST LIFE AND ANNUITY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
84-0467907	68322	384220-01	59	01/01/2010	12/31/2010

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

(a) Total amount of commissions paid	(b) Total amount of fees paid
4192	0

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

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid CBIZ FINANCIAL SOLUTIONS INC 401 PLYMOUTH RD STE 200 PLYMOUTH MEETING, PA 19462
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(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
4192			3

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

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

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4 Current value of plan's interest under this contract in the general account at year end **4** 1491635**5** Current value of plan's interest under this contract in separate accounts at year end **5** 0**6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ GROUP ANNUITY CONTRACT**b** Balance at the end of the previous year **7b** 1393277**c** Additions: (1) Contributions deposited during the year **7c(1)** 158296(2) Dividends and credits **7c(2)** 0(3) Interest credited during the year **7c(3)** 36643(4) Transferred from separate account **7c(4)** 186757(5) Other (specify below) **7c(5)** 9024

▶ LOAN PAYMENTS

(6) Total additions **7c(6)** 390720**d** Total of balance and additions (add **b** and **c(6)**). **7d** 1783997**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 21172(2) Administration charge made by carrier **7e(2)** 4(3) Transferred to separate account **7e(3)** 271186(4) Other (specify below) **7e(4)** 0(5) Total deductions **7e(5)** 292362**f** Balance at the end of the current year (subtract **e(5)** from **d**) **7f** 1491635

Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:

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

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

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

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

SCHEDULE C (Form 5500) 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 (ERISA). ▶ 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 MAXWELL SYSTEMS, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 MAXWELL SYSTEMS, INC.	D Employer Identification Number (EIN) 23-1723672	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

ADVISED ASSET GROUP

8515 EAST ORCHARD ROAD
GREENWOOD VILLAGE, CO 80111

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT MGMT	397	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

CBIZ FINANCIAL SOLUTIONS INC

PO BOX 632886
CINCINNATI, OH 45263

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
55	BROKER/ADVISER	0	Yes ☒ No ☐	Yes ☐ No ☒	25332	Yes ☐ No ☒

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

GREAT-WEST LIFE & ANNUITY COMPANY

8515 EAST ORCHARD ROAD
GREENWOOD VILLAGE, CO 80111

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64	RECORDKEEPER	1000	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
CBIZ FINANCIAL SOLUTIONS	55	25332

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
GREAT-WEST LIFE & ANNUITY COMPANY 8515 EAST ORCHARD ROAD GREENWOOD VILLAGE, CO 80111	OTHER COMMISSIONS

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan MAXWELL SYSTEMS, INC. 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 MAXWELL SYSTEMS, INC.	D Employer Identification Number (EIN) 23-1723672	

Part I	Asset and Liability Statement
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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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	155700	62666
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities.....	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other.....	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	104405	120575
(9) Value of interest in common/collective trusts.....	1c(9)	0	0
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	7038953	9013460
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	1393277	1491635
(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	8692335	10688336

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h		
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	8692335	10688336
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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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	62666	
(B) Participants	2a(1)(B)	965502	
(C) Others (including rollovers)	2a(1)(C)	35239	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1063407

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	5618	
(F) Other	2b(1)(F)	36642	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		42260

(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	184147	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		184147

(3) Rents	2b(3)		0
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		965750
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		2255564

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	256013	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		256013
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		2153
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	1397	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1397
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		259563

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1996001
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

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

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

(1) Name: MCGLADREY & PULLEN, LLP

(2) EIN: 42-0714325

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.).....	☒	☐	3664
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.).....	☐	☒	
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.)	☐	☒	
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.).....	☐	☒	
e Was this plan covered by a fidelity bond?.....	☒	☐	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?	☐	☒	
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?	☐	☒	
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?	☐	☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	☒	☐	
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.).....	☐	☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....	☐	☒	
l Has the plan failed to provide any benefit when due under the plan?	☐	☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....	☐	☒	
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.	☐	☒	

- 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)

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

A Name of plan <u>MAXWELL SYSTEMS, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MAXWELL SYSTEMS, INC.</u>	D Employer Identification Number (EIN) <u>23-1723672</u>

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	<u>0</u>
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): <u>20-3691708</u>		
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 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
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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
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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.
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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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2010
v.092308.1

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):

- 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): _____

Maxwell Systems, Inc.

401(k) Plan

Financial Report
December 31, 2010

Maxwell Systems, Inc. 401(k) Plan

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Independent Auditor's Report

To the Plan Administrator
Maxwell Systems, Inc. 401(k) Plan
King of Prussia, Pennsylvania

We were engaged to audit the accompanying statements of net assets available for benefits of Maxwell Systems, Inc. 401(k) Plan (the "Plan") as of December 31, 2010 and 2009, and the related statement of changes in net assets available for benefits for the year ended December 31, 2010, and the supplemental schedules of delinquent participant contributions and assets (held at end of year) as of December 31, 2010. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the United States 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 Notes 3, 4, 5 and 6, which was certified or provided by Great-West Life & Annuity Insurance Company and Orchard Trust Company, the custodian and trustee 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 and trustee hold the Plan's assets and execute transactions. As disclosed in Note 3, the Plan Administrator has obtained certifications from the custodian and trustee regarding the completeness and accuracy of the information provided to the Plan Administrator by the custodian and trustee as of and for the year ended December 31, 2010, and as of December 31, 2009.

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 or provided by the custodian and 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.

As described in Note 2, the Plan adopted Financial Accounting Standards Board Accounting Standards Update 2010-25, *Plan Accounting - Defined Contribution Pension Plans (Topic 962): Reporting Loans to Participants by Defined Contribution Pension Plans*, as of December 31, 2010, which clarified how loans to participants should be classified and measured by defined contribution pension plans. This Update was retrospectively applied to December 31, 2009.

McGladrey & Pullen, LLP

Blue Bell, Pennsylvania
August 15, 2011

Maxwell Systems, Inc. 401(k) Plan

**Statements of Net Assets Available for Benefits
December 31, 2010 and 2009**

	2010	2009
Assets		
Investments, at fair value		
Mutual funds	\$ 9,013,460	\$7,038,953
Unallocated contracts	1,491,635	1,393,277
Total investments	10,505,095	8,432,230
Receivables		
Employer	62,666	155,700
Notes receivable from participants	120,575	104,405
Total receivables	183,241	260,105
Total assets	10,688,336	8,692,335
Liabilities, excess contributions	9,289	-
Net assets available for benefits	\$10,679,047	\$8,692,335

See Notes to Financial Statements.

Maxwell Systems, Inc. 401(k) Plan

**Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2010**

Additions

Investment income	
Net appreciation in fair value of mutual funds	\$ 965,750
Dividends	220,789
Interest income	<u>5,618</u>
 Total investment income	 <u>1,192,157</u>
 Contributions	
Employer	62,666
Participants	956,213
Participant rollovers	<u>35,239</u>
 Total contributions	 <u>1,054,118</u>
 Total additions	 <u>2,246,275</u>

Deductions

Benefits paid to participants	258,166
Administrative expenses	<u>1,397</u>
 Total deductions	 <u>259,563</u>
 Net increase	 1,986,712
 Net assets available for benefits:	
Beginning	<u>8,692,335</u>
 Ending	 <u><u>\$10,679,047</u></u>

See Notes to Financial Statements.

Maxwell Systems, Inc. 401(k) Plan

Notes to Financial Statements

Note 1. Description of Plan

The following description of the Maxwell Systems, Inc. 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan documents for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution 401(k) plan covering substantially all employees of Maxwell Systems, Inc. (the "Company") who are 21 years of age. There is no service requirement for employees to make elective deferrals. Employees may enter the plan on the first day of the month following the date on which an employee meets the eligibility requirements. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions: Each year, participants may elect to contribute to the Plan an amount equal to from 1% to 80% of their compensation, subject to certain limitations as outlined in the Plan. Employees hired after August 1, 2007 automatically defer 3% of eligible compensation unless the employee elects otherwise. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

The Company may make a matching contribution to the Plan that is based upon a percentage of the participants' deferrals. The matching contribution for 2010 is equal to 20% of the participants' elective contribution up to a maximum of 0.6% of eligible wages for the calendar year. A participant must be employed on December 31 of each year and must have been credited with at least 500 hours of service to receive a matching contribution for that year. The Company may make a Qualified Non-Elective Contribution based upon a percentage of the participant's compensation in order to pass certain tests required by law. No such contribution was made for the 2010 Plan year.

Participant Accounts: Each participant's account is credited with the participant's elective and rollover contributions and an allocation of the Company's contribution and Plan investment earnings, and charged with withdrawals, distributions and a share of Plan investment losses and account administration fees. The allocation of the matching contributions is based on participant deferrals. The allocation of discretionary employer contributions is based on eligible participant compensation. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Participant Investment Options: Participants direct their deferral contributions to selected investments as made available and determined by the Plan Administrator. Participants may change their investment options at any time during the year.

Vesting: Participants are immediately vested in their contributions plus actual earnings thereon. A participant is gradually vested in employer contributions after five years of credited service. Each participant is credited with a year of service upon the completion of 1,000 hours of service during the Plan year.

Notes Receivable from Participants: Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of the value of the participant's vested interest in his account. Loan terms range from one to five years, except that longer terms are allowed for the purchase of a principal residence. A participant may have two loans outstanding at any one time. The loans are secured by the balance in the participant's account. The interest rate charged on the loan is the prime rate plus 1% (currently 4.25% - 9.25%). Principal and interest are paid ratably through payroll deductions.

Maxwell Systems, Inc. 401(k) Plan

Notes to Financial Statements

Note 1. Description of Plan (Continued)

Payment of Benefits: Upon the attainment of age 59 ½ or termination, a participant may elect to receive the value of their accumulated Plan benefits, in accordance with the provisions of the plan, in a lump-sum distribution. Hardship withdrawals of elective contributions are also permitted. The Plan provides an early retirement option upon reaching age 55 and completing 10 years of service.

Funding Policy: The Company generally remits employee deferral contributions to the Plan on a bi-weekly basis, concurrent with payroll frequency. Company matching contributions are remitted annually.

Forfeitures: Forfeitures may be applied to future employer matching contributions. As of December 31, 2010 and 2009, forfeited non-vested accounts approximated \$4,100 and \$3,600, respectively, which have been used in the subsequent year.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting: The accompanying financial statements are prepared on the accrual basis of accounting. Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The plan invests in an insurance company general account. At December 31, 2010 and 2009, the contract value of the general account approximates its fair value.

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 amounts of assets available for benefits and changes therein. Actual results could differ from those estimates.

Payment of Benefits: Benefits are recorded when paid.

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 5 for discussion of fair value measurements.

Great-West Life & Annuity Insurance Company ("Great-West") ("the custodian") maintains certain contributions in an unallocated general account. Contributions are deposited into the general account if selected by the participant. The general account is credited with contributions and investment earnings on the underlying investments and charged for Plan withdrawals and investment earnings or losses on the underlying investments. As transfers are made into the general account, participants are assigned units of the fund with a value equivalent to their deposit amounts. Periodically, the custodian assigns fair values to the units of the general account which reflect their earnings and the fair value of the underlying assets.

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 and Depreciation in Fair Value of Investments: The Plan presents in the statement of changes in net assets available for benefits the net appreciation and depreciation in the fair value of its investments which consists of the net of the Plan's realized gains or losses and unrealized appreciation or depreciation on its investments.

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Notes Receivable from Participants: Notes receivable from participants are measured at their unpaid principal balances plus any accrued but unpaid interest. Delinquent loans are treated as distributions based upon the terms of the plan document.

Administrative Expenses: Plan administrative expenses may be paid by the Plan or the Company. Administrative expenses consist of investment management fees and other administrative fees. The Company currently pays all significant administrative expenses of the Plan.

Recent Accounting Developments: In September 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2010-25, *Plan Accounting-Defined Contribution Pension Plans: Reporting Loans to Participants by Defined Contribution Pension Plans*, which amended Accounting Standards Codification ("ASC") Topic 962, *Plan Accounting – Defined Contribution Pension Plans*, and added new disclosure requirements for participant loans. 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. ASU 2010-25 is effective for periods ending after December 15, 2010, with early adoption permitted. This amendment was adopted for the year ended December 31, 2010, and retrospectively applied to December 31, 2009. Prior year amounts and disclosures have been revised to reflect the retrospective application. The adoption resulted in a reclassification of participant loans totaling \$120,575 and \$104,405 as of December 31, 2010 and 2009, respectively, from investments to notes receivable from participants. There was no impact to net assets available for benefits as a result of the adoption.

In January 2010, the FASB issued ASU 2010-06, *Fair Value Measurements and Disclosures: Improving Disclosures about Fair Value Measurements*. This amendment requires new disclosures regarding significant transfers in and out of Level 1 and 2 fair value measurements and the reasons for the transfers. This amendment also requires that a reporting entity present separately information about purchases, sales, issuances and settlements, on a gross basis rather than a net basis for activity in Level 3 fair value measurements using significant unobservable inputs. This amendment also clarifies existing disclosures on the level of disaggregation, in that the reporting entity needs to use judgment in determining the appropriate classes of assets and liabilities, and that a reporting entity should provide disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements for Level 2 and 3. The new disclosures and clarification of existing disclosures for ASC Topic 820 are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The adoption of these amendments did not have a material effect on the Plan's financial statements.

In May 2011, the FASB issued ASU 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs*. ASU 2011-04 amended ASC Topic 820, *Fair Value Measurements and Disclosures*, to converge the fair value measurement guidance in US generally accepted accounting principles ("GAAP") and International Financial Reporting Standards ("IFRS"s). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC Topic 820. In addition, ASU 2011-04 requires additional fair value disclosures, although certain of these new disclosures will not be required for nonpublic entities. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management is currently evaluating the effect that the provisions of ASU 2011-04 will have on the Plan's financial statements.

Subsequent Events: The Plan Administrator has evaluated subsequent events through August 15, 2011, the date the financial statements were available to be issued.

Maxwell Systems, Inc. 401(k) Plan

Notes to Financial Statements

Note 3. Information Certified by the Custodian and Trustee

The following is a summary of the plan's asset information as of December 31, 2010 and 2009, and for the year ended December 31, 2010, included throughout the Plan's financial statements and supplemental schedules, that was prepared by or derived from information provided by Great-West Life & Annuity Insurance Company (the custodian) and Orchard Trust Company (the trustee), and furnished to the Plan Administrator. The Plan Administrator has obtained certifications from the custodian and trustee that the information provided to the Plan Administrator by the custodian and trustee related to the following assets is complete and accurate to the best of their knowledge. Accordingly, as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to information in Notes 3, 4, 5 and 6 and supplemental schedules related to the following assets:

	2010	2009
Mutual funds	\$ 9,013,460	\$7,038,953
Unallocated contracts	1,491,635	1,393,277
Notes receivable from participants	120,575	104,405
	<u>\$10,625,670</u>	<u>\$8,536,635</u>

Great-West Life & Annuity Insurance Company and Orchard Trust Company also certified to completeness and accuracy of \$965,750 of net appreciation of fair value of investments, \$5,618 of interest, and \$220,789 in dividends related to the aforementioned assets for the year ended December 31, 2010.

Note 4. Investments, at Fair Value

Investments that represent 5% or more of the Plan's net assets are as follows:

	2010	2009	
Mutual Funds			
Russell LifePoints 2020 Strategy	\$ 535,777	\$ 338,732	*
Russell LifePoints 2030 Strategy	1,942,667	1,491,255	
Russell LifePoints 2040 Strategy	918,925	727,989	
Touchstone Mid Cap Growth - A	557,402	444,870	
American Funds Growth Fund of America	651,283	623,888	
JP Morgan Small Cap Equity	640,605	390,632	*
American Funds Fundamental Inv	604,665	478,586	
PIMCO Total Return	521,661	* 461,879	
MFS Emerging Markets Equity Fund - A	591,164	425,984	*
Unallocated Contract - Guaranteed Portfolio Fund	1,491,635	1,393,277	

* Less than 5% of net assets

Notes to Financial Statements

Note 5. Fair Value Measurements

ASC Topic 820, *Fair Value Measurements and Disclosures*, 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 ASC Topic 820 are described below:

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

Level 2: Inputs to the valuation methodology include:

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

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2010.

Mutual funds: Investments in mutual funds are valued at the net asset value of shares held by the Plan as determined on an active market.

Unallocated contracts: Investments in unallocated contracts are valued at contract value. Contract value is the amount plan participants would receive currently if they were to withdraw or transfer funds within the Plan prior to their maturity for an event other than death, disability, termination or retirement. Fair value represents contract value adjusted to reflect current market interest rates only to the extent such market rates exceed crediting rates.

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

Maxwell Systems, Inc. 401(k) Plan**Notes to Financial Statements****Note 5. Fair Value Measurements (Continued)**

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

Assets at Fair Value at December 31, 2010				
	Level 1	Level 2	Level 3	Total
Mutual funds				
Asset allocation	\$ 3,680,391	\$ -	\$ -	\$ 3,680,391
International	1,240,294	-	-	1,240,294
Small-cap	827,842	-	-	827,842
Mid-cap	841,361	-	-	841,361
Large-cap	1,657,956	-	-	1,657,956
Balanced	243,955	-	-	243,955
Bond	521,661	-	-	521,661
	9,013,460	-	-	9,013,460
Unallocated contracts	-	-	1,491,635	1,491,635
	<u>\$ 9,013,460</u>	<u>\$ -</u>	<u>\$1,491,635</u>	<u>\$10,505,095</u>

Assets at Fair Value at December 31, 2009				
	Level 1	Level 2	Level 3	Total
Mutual funds				
Asset allocation	\$ 2,792,962	\$ -	\$ -	\$ 2,792,962
International	978,466	-	-	978,466
Small-cap	507,412	-	-	507,412
Mid-cap	567,210	-	-	567,210
Large-cap	1,483,957	-	-	1,483,957
Balanced	247,067	-	-	247,067
Bond	461,879	-	-	461,879
	7,038,953	-	-	7,038,953
Unallocated contracts	-	-	1,393,277	1,393,277
	<u>\$ 7,038,953</u>	<u>\$ -</u>	<u>\$1,393,277</u>	<u>\$ 8,432,230</u>

Maxwell Systems, Inc. 401(k) Plan

Notes to Financial Statements

Note 5. Fair Value Measurements (Continued)

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2010:

	Unallocated Contracts
Balance, beginning of year	\$ 1,393,277
Purchases, sales, issuances, and settlements, net	98,358
Balance, end of year	<u>\$ 1,491,635</u>

During 2010, the Plan's interest in mutual funds (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$965,750.

The following table sets forth a summary of the fair value of investments in certain entities that calculate NAV per share (or its equivalent) as of December 31, 2010 and 2009:

	Assets at Fair Value at December 31, 2010			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Unallocated contracts (a)	<u>\$ 1,491,635</u>	<u>\$ -</u>	Immediate	None

	Assets at Fair Value at December 31, 2009			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Unallocated contracts (a)	<u>\$ 1,393,277</u>	<u>\$ -</u>	Immediate	None

- (a) This category includes insurance contracts which provide a guarantee of principal and a guaranteed interest rate, through the backing of the general account assets of an insurance company (See Note 6).

Note 6. Insurance Contracts

The Plan has an investment contract with Great-West Life & Annuity Insurance Company, the custodian. The custodian maintains the contributions to the investment contract in an unallocated general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Contract value, as reported to the Plan by Great-West Life & Annuity Insurance Company, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. The contract values of \$1,491,635 and \$1,393,277 approximated fair value at December 31, 2010 and 2009, respectively. There are no reserves against contract value for credit risk of the contract issuer or otherwise.

Maxwell Systems, Inc. 401(k) Plan

Notes to Financial Statements

Note 6. Insurance Contracts (Continued)

The methodology for calculating the interest crediting rate is based on the earnings of the underlying assets in the entire medium-long term new portfolio compared to the minimum interest crediting rate, as stated in the contract, and prevailing market conditions. Interest crediting rate is reset quarterly. The average interest rate yield earned and credited to participants during 2010 and 2009 is as follows:

	2010	2009
Average yields:		
Based on actual earnings	2.49%	3.16%
Based on interest rate credited to participants	2.49%	3.16%

Certain events may limit the ability of the Plan to transact at contract value with the issuer. Such events may include the following: (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (3) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan Administrator does not believe that the occurrence of any such event, which would limit the Plan's ability to transact at contract value with participants, is probable.

This contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

Note 7. Risks and Uncertainties

The Plan invests in various investment instruments. Investment securities are exposed to various risks, such as credit, interest rate, and market risks.

Credit risk arises from the potential for an issuer or other counterparty to default on its contractual obligations to the Plan. Investments are recorded at fair value. This represents the maximum credit risk exposure of the Plan.

Interest rate risk refers to the impact of interest rate changes on the Plan's financial position. Interest rate changes directly impact the fair value of fixed income securities held in the Plan. Interest rate changes will also have an indirect impact on the other investments held by the Plan.

Market risk is the risk that the market value of an investment will fluctuate as a result of changes in market price.

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 the amounts reported in the statement of net assets available for benefits.

Note 8. Plan Termination

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

Maxwell Systems, Inc. 401(k) Plan

Notes to Financial Statements

Note 9. Income Tax Status

The Internal Revenue Service stated, in a letter dated November 27, 2001, that the prototype used by the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

Note 10. Related Party Transactions

Certain Plan investments are invested in funds managed by Great-West. Great-West is the custodian as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

Certain administrative functions are performed by officers and management of the Company. No such officers or employees receive compensation from the Plan.

Note 11. Voluntary Correction Program

During 2009, the Plan applied to the DOL's Voluntary Correction Program to cure certain operation failures related to a plan merger which occurred in 2007. In March 2010, the DOL notified the Plan that it approved of the Plan's method of correction and revisions to administrative procedures. There were no significant fines or penalties imposed by the DOL as a result of this action.

Note 12. Prohibited Transactions

During 2010, the Plan Sponsor inadvertently failed to deposit approximately \$3,664 of participant referrals within the required time frame as stated by the United States Department of Labor ("DOL"). The DOL considers late deposits to be prohibited transactions. The Plan Sponsor has filed the Form 5330 for the aforementioned plan year and has paid excise tax for the year affected. The excise tax payment was made from the Plan Sponsor's assets and not from the assets of the Plan.

Note 13. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	2010	2009
Net assets available for benefits per the financial statements	\$ 10,679,047	\$ 8,692,335
Differences In:		
Investments	120,575	104,405
Receivables - Notes receivable from participants	(120,575)	(104,405)
Liabilities for excess contributions	9,289	-
Net assets available for benefits per the Form 5500	<u>\$ 10,688,336</u>	<u>\$ 8,692,335</u>

Maxwell Systems, Inc. 401(k) Plan

Notes to Financial Statements

Note 13. Reconciliation of Financial Statements to Form 5500 (Continued)

The following is a reconciliation of total additions and participant contributions per the financial statements for the year ended December 31, 2010 to Form 5500:

	Total Additions	Participant Contributions
Total per the financial statement	\$ 2,246,275	\$ 956,213
Liabilities for excess contributions	9,289	9,289
Total per the Form 5500	<u>\$ 2,255,564</u>	<u>\$ 965,502</u>

Maxwell Systems, Inc. 401(k) Plan

Schedule H, Line 4(a) - Schedule of Delinquent Participant Contributions

December 31, 2010

Participant Contributions Transferred Late to the Plan:		Total That Constitute Prohibited Non-Exempt Transactions:		Total Fully Corrected Under VFCP and PTE 2002-51:	
\$ 3,664		\$ 3,664		\$ -	
() Check Here if Late					
Participant Loan Repayments are Included		Contributions Not Corrected	Contributions Corrected Outside of VCP	Contributions Pending Correction in VFCP	
2010		\$ 3,664	\$ -	\$ 3,664	

Participant contributions were remitted untimely during the years ended December 31, 2010. Lost earnings have been remitted in 2011. Forms 5330 have been filed with the applicable excise taxes in 2011.

Maxwell Systems, Inc. 401(k) Plan

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)
December 31, 2010

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	Unallocated Contracts			
*	Great West Life & Annuity Insurance Company	Guaranteed Portfolio Fund	**	\$ 1,491,635
	Mutual Funds			
	Russell	LifePoints 2010 Strategy	**	283,022
	Russell	LifePoints 2020 Strategy	**	535,777
	Russell	LifePoints 2030 Strategy	**	1,942,667
	Russell	LifePoints 2040 Strategy	**	918,925
	American Funds	Europacific Growth	**	454,818
	Oppenheimer	Global Fund	**	194,312
	MFS	Emerging Markets Equity Fund	**	591,164
	JP Morgan	Small Cap Equity	**	640,605
	Fidelity	Advisor Small Cap	**	187,237
	Goldman Sachs	Mid Cap Value Fund	**	283,959
	Touchstone	Mid Cap Growth - A	**	557,402
	Davis	NY Venture	**	252,827
	Maxim	S&P 500	**	147,775
	MFS	Value	**	1,406
	American Funds	Growth Fund of America	**	651,283
	American Funds	Fundamental Inv	**	604,665
	Oakmark	Equity & Income II	**	243,955
	PIMCO	Total Return	**	521,661
				<u>9,013,460</u>
	Notes receivable from participants			
		Notes receivable from participants,		
*	Participants	4.25% - 9.25%	**	120,575
				<u>\$10,625,670</u>

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

** Not applicable for participant-directed investments.

The above information has been certified by Great-West Life & Annuity Insurance Company, the custodian, and Orchard Trust Company, the trustee, as complete and accurate.

Form **5558** (Rev. 1-2008)

**Return of Excise Taxes
Related to Employee Benefit Plans**

(Under sections 4965, 4971, 4972, 4973(a)(3), 4975, 4976, 4977, 4978, 4979,
4979A, 4980, and 4980F of the Internal Revenue Code)

OMB No. 1545-0575

Filer tax year beginning January 1, 2010 and ending December 31, 2010	
A Name of filer (see instructions) MAXWELL SYSTEMS, INC. Number, street, and room or suite no. (If a P.O. box or foreign address, see instructions) 1000 FIRST AVE. STE. 200 City or town, state, and ZIP code KING OF PRUSSIA PA 19406	B Filer's identifying number (see instructions) Employer identification number (EIN) 23-1723672 Social security number (SSN)
C Name of plan MAXWELL SYSTEMS, INC. 401(K) PLAN	E Plan sponsor's EIN 23-1723672
D Name and address of plan sponsor MAXWELL SYSTEMS, INC. 1000 FIRST AVE. STE. 200 KING OF PRUSSIA PA 19406	F Plan year ending (MM/DD/YYYY) 12/31/2010
H If this is an amended return, check here ☐	G Plan number 001

Part I Taxes. You can only complete one section of Part I for each Form 5330 filed (see instructions).

Section A. Taxes that are reported by the last day of the 7th month after the end of the tax year of the employer (or other person who must file the return)	FOR BTS USE ONLY		
1 Section 4972 tax on nondeductible contributions to qualified plans (from Schedule A, line 12)	161	1	
2 Section 4973(a)(3) tax on excess contributions to section 403(b)(7)(A) custodial accounts (from Schedule B, line 12)	164	2	
3a Section 4975(a) tax on prohibited transactions (from Schedule C, line 3)	165	3a	
b Section 4975(b) tax on failure to correct prohibited transactions	224	3b	
4 Section 4976 tax on disqualified benefits for funded welfare plans	200	4	
5a Section 4978 tax on ESOP dispositions	208	5a	
b The tax on line 5a is a result of the application of: ☐ Sec. 664(g) ☐ Sec. 1042		5b	
6 Section 4979A tax on certain prohibited allocations of qualified ESOP securities	203	6	
7 Total Section A taxes. Add lines 1 through 6. Enter here and on Part II, line 17		7	
Section B. Taxes that are reported by the last day of the 7th month after the end of the employer's tax year or 8 1/2 months after the last day of the plan year that ends within the filer's tax year			
8a Section 4971(a) tax on failure to meet minimum funding standards (from Schedule D, line 2)	163	8a	93
b Section 4971(b) tax for failure to correct minimum funding standards	225	8b	93
9a Section 4971(f)(1) tax on failure to pay liquidity shortfall (from Schedule E, line 4)	226	9a	
b Section 4971(f)(2) tax for failure to correct liquidity shortfall	227	9b	
10a Section 4971(g)(2) tax on failure to comply with a funding improvement or rehabilitation plan (see instructions)	450	10a	
b Section 4971(g)(3) tax on failure to meet requirements for plans in endangered or critical status (from Schedule F, line 1c)	451	10b	
c Section 4971(g)(4) tax on failure to adopt rehabilitation plan (from Schedule F, line 2d)	452	10c	
Section B1. Tax that is reported by the last day of the 7th month after the end of the calendar year in which the excess fringe benefits were paid to the employer's employees			
11 Section 4977 tax on excess fringe benefits (from Schedule G, line 4)	201	11	
12 Total Section B taxes. Add lines 8a through 11. Enter here and on Part II, line 17		12	188
Section C. Tax that is reported by the last day of the 15th month after the end of the plan year			
13 Section 4979 tax on excess contributions to certain plans (from Schedule H, line 2). Enter here and on Part II, line 17	205	13	

Name of Filer: MAXWELL SYSTEMS, INC.

Filer's identifying number: 23-1723572

Section D. Tax that is reported by the last day of the month following the month in which the reversion occurred

14 Section 4980 tax on reversion of qualified plan assets to an employer (from Schedule I, line 3). Enter here and on Part II, line 17 204 **14**

Section E. Tax that is reported by the last day of the month following the month in which the failure occurred

15 Section 4980F tax on failure to provide notice of significant reduction in future accruals (from Schedule J, line 5). Enter here and on Part II, line 17 220 **15**

Section F. Taxes reported on or before the 15th day of the 5th month following the close of the entity manager's taxable year during which the plan became a party to a prohibited tax shelter transaction

16 Section 4965 tax on prohibited tax shelter transactions for entity managers (from Schedule K, line 2). Enter here and on Part II, line 17 237 **16**

Part II Tax Due

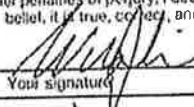
17 Enter the amount from Part I, line 7, 12, 13, 14, 15, or 16 (whichever is applicable) **17**

18 Enter amount of tax paid with Form 5558 or any other tax paid prior to filing this return **18**

19 Tax due. Subtract line 18 from line 17. If the result is greater than zero, enter here, and attach check or money order payable to "United States Treasury." Write your name, identifying number, plan number, and "Form 5330, Section(s)" on your payment **19**

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

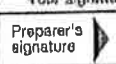
Your signature 

610 277 3515

Telephone number

6/23/11

Date

Paid Preparer's Use OnlyPreparer's signature 

Date

Check if self-employed ☐

Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code

EIN

Phone no.

Name of Filer: **MAXWELL SYSTEMS, INC.**Filer's identifying number: **23-1723672****Schedule A. Tax on Nondeductible Employer Contributions to Qualified Employer Plans (Section 4972)****Reported by the last day of the 7th month after the end of the tax year of the employer (or other person who must file the return)**

1	Total contributions for your tax year to your qualified employer plan (under section 401(a), 403(a), 408(k), or 408(p))	1	
2	Amount allowable as a deduction under section 404	2	
3	Subtract line 2 from line 1	3	
4	Enter amount of any prior year nondeductible contributions made for years beginning after 12/31/86	4	
5	Amount of any prior year nondeductible contributions for years beginning after 12/31/86 returned to you in this tax year for any prior tax year	5	
6	Subtract line 5 from line 4	6	
7	Amount of line 6 carried forward and deductible in this tax year	7	
8	Subtract line 7 from line 6	8	
9	Tentative taxable excess contributions. Add lines 3 and 8	9	
10	Nondeductible section 4972(c)(6) or (7) contributions exempt from excise tax	10	
11	Taxable excess contributions. Subtract line 10 from line 9	11	
12	Multiply line 11 by 10%. Enter here and on Part I, line 1	12	

Schedule B. Tax on Excess Contributions to Section 403(b)(7)(A) Custodial Accounts (Section 4973(a)(3))**Reported by the last day of the 7th month after the end of the tax year of the employer (or other person who must file the return)**

1	Total amount contributed for current year less rollovers (see instructions)	1	
2	Amount excludable from gross income under section 403(b) (see instructions)	2	
3	Current year excess contributions. Subtract line 2 from line 1. If zero or less, enter -0-	3	
4	Prior year excess contributions not previously eliminated. If zero, go to line 8	4	
5	Contribution credit. If line 2 is more than line 1, enter the excess; otherwise, enter -0-	5	
6	Total of all prior years' distributions out of the account included in your gross income under section 72(e) and not previously used to reduce excess contributions	6	
7	Adjusted prior years' excess contributions. Subtract the total of lines 5 and 6 from line 4	7	
8	Taxable excess contributions. Add lines 3 and 7	8	
9	Multiply line 8 by 6%	9	
10	Enter the value of your account as of the last day of the year	10	
11	Multiply line 10 by 6%	11	
12	Excess contributions tax. Enter the lesser of line 9 or line 11 here and on Part I, line 2	12	

Name of Filer: **MAXWELL SYSTEMS, INC.**Filer's identifying number: **23-1723672****Schedule C. Tax on Prohibited Transactions (Section 4975) (see instructions) Reported by the last day of the 7th month after the end of the tax year of the employer (or other person who must file the return) (continued)****1** Is the excise tax a result of a prohibited transaction that was (box "a" or box "b" must be checked):**a** ☐ discrete**b** ☐ other than discrete (a lease or a loan)**2** Complete the table below to disclose the prohibited transactions and figure the initial tax (see instructions)

(a) Transaction number	(b) Date of transaction (see instructions)	(c) Description of prohibited transaction	(d) Amount involved in prohibited transaction (see instructions)	(e) Initial tax on prohibited transaction (multiply each transaction in column (d) by the appropriate rate (see instructions))
(i)				
(ii)				
(iii)				
(iv)				
(v)				
(vi)				
(vii)				
(viii)				
(ix)				
(x)				
(xi)				
(xii)				

3 Add amounts in column (e); enter here and on Part I, line 3a ▶**4** Have you corrected all of the prohibited transactions that you are reporting on this return? If "Yes," complete Schedule C, line 5, on the next page. If "No," attach statement (see instructions) ▶ ☐ Yes ☐ No

Name of Filer: MAXWELL SYSTEMS, INC.

Filer's identifying number: 23-1723672

Schedule E. Tax on Failure to Pay Liquidity Shortfall (Section 4971(f)(1)) Reported by the last day of the 7th month after the end of the employer's tax year or 8 1/2 months after the last day of the plan year that ends within the filer's tax year

	(a) 1st Quarter	(b) 2nd Quarter	(c) 3rd Quarter	(d) 4th Quarter	(e) Total Add cols. a-d for line 3
1 Amount of shortfall					
2 Shortfall paid by the due date					
3 Net shortfall amount					
4 Multiply line 3 column (e) by 10% (5% for multiemployer plans). Enter here and on Part I, line 9a					

Schedule F. Tax on Multiemployer Plans in Endangered or Critical Status (Section 4971(g)(3), 4971(g)(4)) Reported by the last day of the 7th month after the end of the employer's tax year or 8 1/2 months after the last day of the plan year that ends within the filer's tax year

1 Section 4971(g)(3) tax on failure to meet requirements for plans in endangered or critical status	1		
a Enter the amount of contributions necessary to meet the applicable benchmarks or requirements	1a		
b Enter the amount of the accumulated funding deficiency	1b		
c Enter the greater of line 1a or line 1b, here and on Part I, line 10b.	1c		
2 Section 4971(g)(4) tax on failure to adopt rehabilitation plan	2		
a Enter the amount of the excise tax on the accumulated funding deficiency under section 4971(a)(2) from Schedule D, line 2	2a		
b Enter the number of days during the tax year which are included in the period beginning on the first day of the 240 day period and ending on the day the rehabilitation plan is adopted	2b		
c Multiply line 2b by \$1,100	2c		
d Enter the greater of line 2a or line 2c, here and on Part I, line 10c	2d		

Schedule G. Tax on Excess Fringe Benefits (Section 4977) Reported by the last day of the 7th month after the end of the calendar year in which the excess fringe benefits were paid to the employer's employees

1 Did you make an election to be taxed under section 4977? ☐ Yes ☐ No		
2 If "Yes," enter the calendar year (YYYY) in which the excess fringe benefits were paid	3	
3 If line 1 is "Yes," enter the excess fringe benefits on this line (see instructions)	4	
4 Enter 30% of line 3 here and on Part I, line 11		

Schedule H. Tax on Excess Contributions to Certain Plans (Section 4979) Reported by the last day of the 15th month after the end of the plan year

1 Enter the amount of an excess contribution under a cash or deferred arrangement that is part of a plan qualified under section 401(a), 403(a), 403(b), 408(k), or 501(c)(18) or excess aggregate contributions	1	
2 Multiply line 1 by 10% and enter here and on Part I, line 13	2	

Schedule I. Tax on Reversion of Qualified Plan Assets to an Employer (Section 4980) Reported by the last day of the month following the month in which the reversion occurred

1 Date reversion occurred MM ____ DD ____ YY ____		
2a Employer reversion amount	b Excise tax rate	
3 Multiply line 2a by line 2b and enter the amount here and on Part I, line 14	3	
4 Explain below why you qualify for a rate other than 50%:		

Schedule J. Tax on Failure to Provide Notice of Significant Reduction in Future Accruals (Section 4980F) Reported by the last day of the month following the month in which the failure occurred

1 Enter the number of applicable individuals who were not provided ERISA section 204(h) notice	1	
2 Enter the effective date of the amendment MM ____ DD ____ YY ____	2	
3 Enter the number of days in the noncompliance period	3	
4 Enter the total number of failures to provide ERISA section 204(h) notice (see instructions)	4	
5 Multiply line 4 by \$100. Enter here and on Part I, line 15	5	
6 Provide a brief description of the failure, and of the correction, if any		

Schedule K. Tax on Prohibited Tax Shelter Transactions (Section 4985) Reported on or before the 15th day of the 5th month following the close of the entity manager's tax year during which the plan became a party to a prohibited tax shelter transaction

1 Enter the number of prohibited tax shelter transactions you caused the same plan to be a party to	1	
2 Multiply line 1 by \$20,000. Enter the result here and on Part I, line 16	2	

Attachment to 2010 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name MAXWELL SYSTEMS, INC. 401(K) PLAN

EIN: 23-1723672

Plan Sponsor's Name MAXWELL SYSTEMS, INC.

PN: 001

(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
	RUSSELL LIFEPPOINTS 2010 STRATEGY RB	N/A	270,853	283,022
	RUSSELL LIFEPPOINTS 2020 STRATEGY RB	N/A	521,102	535,777
	RUSSELL LIFEPPOINTS 2030 STRATEGY RB	N/A	2,024,418	1,942,667
	RUSSELL LIFEPPOINTS 2040 STRATEGY RB	N/A	966,749	918,925
	AMERICAN FUNDS EUROPACIFIC GROWTH -	N/A	451,817	454,818
	MFS EMERGING MARKETS EQUITY FUND -	N/A	540,318	591,164
	OPPENHEIMER GLOBAL FUND A	N/A	189,989	194,312

Attachment to 2010 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name MAXWELL SYSTEMS, INC. 401(K) PLAN

EIN: 23-1723672

Plan Sponsor's Name MAXWELL SYSTEMS, INC.

PN: 001

(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
	FIDELITY ADVISOR SMALL CAP T	N/A	171,135	187,237
	JP MORGAN SMALL CAP EQUITY A	N/A	560,405	640,605
	GOLDMAN SACHS MID CAP VALUE FUND A	N/A	262,910	283,959
	TOUCHSTONE MID CAP GROWTH - A	N/A	360,570	557,402
	AMERICAN FUNDS FUNDAMENTAL INV R3	N/A	636,999	604,665
	AMERICAN FUNDS GROWTH FUND OF AMER	N/A	657,727	651,283
	DAVIS NY VENTURE A	N/A	251,833	252,827

Attachment to 2010 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name MAXWELL SYSTEMS, INC. 401(K) PLAN

EIN: 23-1723672

Plan Sponsor's Name MAXWELL SYSTEMS, INC.

PN: 001

(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
	MAXIM S AND P 500 INDEX	N/A	138,616	147,775
	MFS VALUE FUND - A	N/A	1,270	1,270
	OAKMARK EQUITY AND INCOME II	N/A	227,128	243,955
	PIMCO TOTAL RETURN ADMIN	N/A	516,973	521,661
	KEY GUARANTEED PORTFOLIO FUND	N/A	1,381,947	1,487,662
	PARTICIPANT LOANS	Interest Rate - 4.250-9.250 Maturity Date - VARIOUS	120,637	120,575
	FORFEITURES	N/A	3,782	4,108