Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 01/01/2008 and ending 12/31/2008

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
NSG TECHNOLOGY, INC 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2003

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

1705 JUNCTION COURT
SUITE 200
SAN JOSE, CA 95112

2b Employer Identification Number (EIN)
77-0416181

2c Sponsor's telephone number
408-318-0122

2d Business code (see instructions)
334200

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	12/14/2011	WYNNE YEUNG
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	12/14/2011	KAREN CHENG
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")

NSG TECHNOLOGY, INC

1705 JUNCTION COURT
SUITE 200
SAN JOSE, CA 95112

3b Administrator's EIN: 77-0416181

3c Administrator's telephone number: 408-318-0122

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

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	224
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**	222
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	23
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	245
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	245
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	135
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2F 2G 2J 2K 3D

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

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

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2008 and ending 12/31/2008

A Name of plan
NSG TECHNOLOGY, INC 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
NSG TECHNOLOGY, INC

D Employer Identification Number (EIN)
77-0416181

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		12384
(2) Participant contributions	1b(2)		71909
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	789825	1288391
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	21699	18928
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	3191039	2087652
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	4002563	3479264
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	4002563	3479264

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	157645	
	(B) Participants	2a(1)(B)	920967	
	(C) Others (including rollovers)	2a(1)(C)	2413	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1081025
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	7949	
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	2447	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		10396
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-1331397
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		-239976
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	283071	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		283071
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	252	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		252
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		283323
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-523299
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: ACORN ACCOUNTANTS CORPORATION (2) EIN: 20-3776207

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a	X		734331
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		350000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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

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

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

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

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

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2008 and ending 12/31/2008

A Name of plan
NSG TECHNOLOGY, INC 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
NSG TECHNOLOGY, INC

D Employer Identification Number (EIN)
77-0416181

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 45-0404698

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

NSG Technology Inc. 401(k) Plan

E I N 77-0416181 PN 001

Accountant's Report
And
Financial Statements
December 31, 2008 and 2007

NSG Technology Inc. 401(k) Plan
December 31, 2008 and 2007

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Supplemental Schedule

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ACORN ACCOUNTANCY CORPORATION

A Professional Corporation

9420 Telstar Ave. Suite# 207
EL Monte, CA 91731
Tel: (626) 579-5088
Fax: (626) 579-5009

Independent Accountant's Report

Plan Administrator
NSG Technology Inc. 401(k) Plan
San Jose, California

I was engaged to audit the accompanying statements of net assets available for benefits of NSG Technology Inc. 401(k) Plan as of December 31, 2008 and 2007, and the related statements of changes in net assets available for benefits for the years then ended and the accompanying supplemental schedule. These financial statements and schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed me not to perform, and I did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Ascensus, Inc., the record keeper of the Plan as agent for Frontier Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. I have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certifications from the agent on behalf of trustee, as of and for the years ended December 31, 2008 and 2007, that the information provided to the Plan Administrator by the agent for the trustee is complete and accurate.

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

As discussed in Note 7, in 2008, the Plan changed its method of accounting for fair value measurements in accordance with Statement of Financial Accounting Standards No. 157.

Acorn Accountancy Corp

October 9, 2009

NSG Technology Inc. 401(k) Plan

Statements of Net Assets Available for Benefits
Years Ended December 31, 2008 and 2007

	2008	2007
ASSETS		
Investments, At Fair Value	$ 3,394,971	$ 4,002,563
Receivables		
Employer's contribution	12,384	12,223
Participants' contributions	71,909	89,134
Loan	649	559
Total Receivables	84,942	101,916
Net Assets Available for Benefits	$ 3,479,913	$ 4,104,479

See Notes to Financial Statements

NSG Technology Inc. 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2008 and 2007

	2008	2007
Investment Income (Loss)		
Net appreciation (depreciation) in fair value of investments	$ (1,413,042)	$ 99,973
Interest/dividends	55,573	78,161
Capital gain (loss)	36,468	214,844
Net Investment Income (Loss)	(1,321,001)	392,978
Contributions		
Employer	145,422	135,854
Participants	831,833	832,625
Rollovers	2,413	193,899
Loan repayment	90	160
Total Additions (Loss)	979,758	1,162,538
Deductions		
Benefits paid directly to participants	283,071	251,062
Other expenses	252	125
Total Deductions	283,323	251,187
Net Increase (Decrease)	(624,566)	1,304,329
Net Assets Available for Benefits, Beginning of Year	4,104,479	2,800,150
Net Assets Available for Benefits, End of Year	$ 3,479,913	$ 4,104,479

NSG Technology Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2008 and 2007

Note 1: Description of the Plan

The following description of NSG Technology Inc. 401(k) Plan (the "Plan") provides only general information. Participants should refer to the *Basic Plan Document* and *Summary Plan Description* for a more complete description of the Plan's provisions, which are available from the Plan Administrator.

General

The Plan is a defined contribution plan covering all employees of NSG Technology Inc. (the "Company"). Employees are eligible to participate in the Plan if they attain the age of 21 and have completed one year of service with a minimum of 1,000 hours during that time. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions

The Plan allows participants to defer a percentage of their eligible compensation from 1 percent to 100 percent in increments of 1 percent each Plan year as contributions to the Plan. The contributions are subject to certain limitations. The Company matched 50 percent of the participant's salary deferral up to 2 percent of the employee's eligible compensation. The record keeper of the Plan, Ascensus, Inc. ("Ascensus"), formerly known as Bisys Retirement Services, Inc. certified that the Plan meets the nondiscrimination test as defined under the provisions of ERISA.

Participant Investment Account Options

Investment account options include various funds. Each participant has the option of directing his or her contributions into any of the separate investment accounts and may change the allocation daily.

Participant Accounts

Each participant's account is credited with the participant's contributions, the Company's contributions and Plan earnings, and is charged with certain related expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their voluntary contributions and Company contributions, plus earnings thereon.

NSG Technology Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2008 and 2007

Note 1: Description of the Plan, continued

Payment of Benefits

Upon retirement or termination of service, a participant may elect to receive either a lump-sum amount equal to the value of his or her vested account or allow their investments to remain in the Plan subject to certain restrictions.

Participant Loans

The *Basic Plan Document* includes provisions authorizing loans from the Plan to active eligible participants. The minimum amount of a loan shall be $1,000. The maximum amount of a participant's loan is determined by the available loan balance restricted to the lesser of $50,000 or 50 percent of the participant's vested account balance. Interest on Loans from this Plan will be equal to the prime rate as specified in the Wall Street Journal plus 1 percent.

Plan Termination

The Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of ERISA. The Company has not expressed such intention as of this financial statements date.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

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 net assets and changes in net assets, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Valuation of Investments and Income Recognition

The Plan’s assets are stated at fair value. Participant loans are states at cost, which approximates fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recognized on the accrual basis while dividends are recorded on the ex-dividend date.

Note 2: Summary of Significant Accounting Policies, continued

Plan Tax Status

As of December 31, 2008, the Plan has not obtained a 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 and that the Plan and related trust were qualified as tax-exempt as of the financial statement date.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

Administrative expenses are paid by the Company or the Plan, at the Company's discretion.

Note 3: Investments-unaudited

The following information included in the accompanying financial statements and supplemental schedules was certified by Ascensus, Inc., acting as the agent for Frontier Trust Company, the trustee of the Plan. The Plan's investments (including investments, bought, sold and held during the year) held by the trustee, appreciated (depreciated) in fair value as follows:

	2008	
	Net Appreciation (Depreciation) in Fair Value During Year	Fair Value at End of Year
Investments at Fair Value as Determined by Quoted Prices in an Active Market		
Registered investment companies	$ (1,413,042)	$ 2,087,652
Investments at Fair Value as Determined by Frontier Trust Company		
Common/collective trusts	-	126
Investments at Cost Which Approximates Market		
Money market fund	-	1,288,265
Participant loans	-	18,928
	$ (1,413,042)	$ 3,394,971

Note 3: Investments-unaudited, continued

	2007	
	Net Appreciation (Depreciation) in Fair Value During Year	Fair Value at End of Year
Investments at Fair Value as Determined by Quoted Prices in an Active Market		
Registered investment companies	$ 99,973	$ 3,191,039
Investments at Fair Value as Determined by Frontier Trust Company		
Common/collective trusts	-	87
Investments at Cost Which Approximates Market		
Money market fund	-	789,738
Participant loans	-	21,699
	$ 99,973	$ 4,002,563

The fair value of individual investments that represent 5 percent or more of the Plan's net assets available for benefits were as follows:

	Current Value	
Description of Investment	2008	2007
American Funds Cash Mgmt Trust R2	$ 1,288,265	$ 789,738
American Funds New World fund R2	215,424	350,303
American Funds Cap Income Builder R2		217,570
American Funds Cap Wld Growth Inc R2	197,136	263,541
American Funds EuroPacific Growth R2	249,377	451,791
American Funds Growth Fnd of Amer R2	198,945	295,021
Seligman Emerging Markets Fund Class D		456,522
Other investments under 5 percent	1,245,824	1,178,077
Total investments	$ 3,394,971	$ 4,002,563

Interest and dividends realized on the Plan's investments for the years ended December 31, 2008 and 2007, were $55,573 and $78,161, respectively.

NSG Technology Inc. 401(k) Plan

Notes to Financial Statements

December 31, 2008 and 2007

Note 4: Party-in-interest Transactions

Administrative expenses are paid directly by the Company, the plan sponsor.

Note 5: Reconciliation of Financial Statements to Form 5500

Form 5500 was prepared on cash basis for 2007 and on accrual basis for 2008.

The following is a reconciliation of net assets available for benefits per the financial statement at December 31, 2008 and 2007, to Form 5500:

	2008	2007
Net assets available for benefits per the financial statements	$ 3,479,913	$ 4,104,479
Contributions and other receivable at December 31	(649)	(101,916)
Net assets available for benefits per Form 5500	$ 3,479,264	$ 4,002,563

The following is a reconciliation of contributions received per the financial statements for the years ended December 31, 2008 and 2007, to Form 5500:

	2008	
	Employer Contributions	Employee Contributions
Contributions received per the financial statements	$ 145,422	$ 831,833
Add: Contributions receivable, December 31, 2007	12,223	89,134
Less: Contributions receivable, December 31, 2008	-	-
Contributions received per Form 5500	$ 157,645	$ 920,967

	2007	
	Employer Contributions	Employee Contributions
Contributions received per the financial statements	$ 135,854	$ 832,625
Add: Contributions receivable, December 31, 2006	7,812	79,695
Less: Contributions receivable, December 31, 2007	(12,223)	(89,134)
Contributions received per Form 5500	$ 131,443	$ 823,186

Note 6: Risks and Uncertainties

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

Note 7: Disclosures of Fair Value of Financial Instruments

Effective on January 1, 2008, the Company adopted Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS 157 has been applied prospectively as of the beginning of the year.

SFAS 157 defines fair value as 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. SFAS 157 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 quoted prices for identical assets, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 security includes money market funds and equity securities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows.

Note 7: Disclosures of Fair Value of Financial Instruments, continued

Level 2 securities include pool separate accounts, corporate bonds and municipal securities. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy and include participant loans.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of net assets available for benefits measured at fair value on a recurring basis and the level within the SFAS 157 fair value hierarchy in which the fair value measurements fall on December 31, 2008:

		Fair Value Measurement Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market fund	$ 1,288,265	$ 1,288,265	-	-
Common/collective trusts	126	-	$ 126	-
Mutual funds	2,087,652	2,087,652	-	-
Participant loans	18,928	-	18,928	-
Total	$ 3,394,971	$ 3,375,917	$ 19,054	-

Realized and unrealized gains and losses included in net increase (decrease) in net assets available for benefits for the year ended December 31, 2008, are reported in net appreciation (depreciation) in fair value of investments in the statements of changes in net assets available for benefits.

Note 8: Subsequent Event

Effective on January 1, 2009, the Plan was amended and restated to adopt a safe harbor matching contribution provision intended to satisfy Section 401(k) (12) of the Code. Participants are to receive safe harbor matching contributions if they make pre-tax contributions to the Plan in 2009. The Company matched 100 percent of the participant's salary deferral up to 4 percent of the employee's eligible compensation. Participants' account balances holding such safe harbor matching contributions will be immediately 100 percent vested.

In May, 2009, the Employee Benefits Security Administration of the U.S. Department of Labor ("DOL") conducted an investigation of the Company's 401(k) Plan to determine if there is any violation of Title I of ERISA or any regulation or order. The reporting years covered by this investigation are from January 15, 2004 to June 15, 2009.

As of the financial statements date, the DOL has determined that the Company violated several provisions of ERISA.

The DOL determines that the employees' salary deferral amounts and loan repayments withheld from employees' paychecks were not timely forwarded to the Plan in a timely manner. Besides, the withheld employee contributions and loan repayments remained commingled with the company's general assets. Due to the aforementioned violations, the investigation shows that the Company restored lost interest of $12,849 to participants from forfeiture accounts. The amounts of lost interest for 2008 and 2007 are $1,926 and $5,820, respectively.

The DOL further determines that the Company failed to properly include the required audited financial statements with Annual Report Form 5500 from year 2004 to year 2007. For delinquent contributions and failure to file audited financial statements, the Company is required to make corrective actions to Form 5500.

The DOL further determines that the Company was in violation of ERISA Section 412, which requires the Company to maintain minimum fidelity bond in the amount of $425,375. Failure to obtain adequate fidelity bond amount puts unnecessary risk to the Plan and its beneficiaries. As of December 31, 2008 and 2007, the Company had fidelity bond in the amount of $350,000.

Management believes additional penalty and interest may incur for late deposits of the fiduciary funds. The Company will absorb the additional penalty and interest, if any, and do not believe that will have a material impact on the plan assets.

Supplemental Schedule

NSG Technology Inc. 401(k) Plan

E I N 77-0416181 PN 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2008

Identity of Issuer	Description of Investment	Current Value
Registered Investment Companies		
American Funds	American Funds New Perspective R2	$ 106,661
American Funds	American Funds New World Fund R2	215,424
American Funds	American Funds New Economy Fund R2	87,030
American Funds	American Funds Bond Fund of Amer R2	63,344
American Funds	American Funds High Income Trust R2	96,738
American Funds	American Funds Amer Balanced Fund R2	36,340
American Funds	American Funds American Mutual Fd R2	8,820
American Funds	American Funds Cap Income Builder R2	159,207
American Funds	American Funds Cap Wld Growth R2	197,136
American Funds	American Funds EuroPacific Growth R2	249,377
American Funds	American Funds Growth Fnd of Amer R2	198,945
American Funds	American Funds Income Fnd of Amer R2	46,551
American Funds	American Funds Investment Co Amer R2	48,392
American Funds	American Funds SMALLCAP World Fnd R2	115,010
American Funds	American Funds Wash Mutual Invstr R2	35,904
American Funds	American Funds Fundamental Invest R2	62,934
American Funds	American Funds Capital Wld Bnd Fund R2	160,942
Seligman	Seligman Emerging Markets Fund Class C	127,629
Oppenheimer	Openheimer Small- & Mid-Cap Value Fd C	71,268
Common/ Collective Trust		
Frontier Trust Company	Contribution Account	126
Participant Loans	Various rates and maturities	18,928
Money Market funds		
American Funds	American Funds Cash Mgmt Trust R2	1,288,265
		$ 3,394,971

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

Plan Name NSG TECHNOLOGY, INC 401(K) PLAN **EIN:** 77-0416181
Plan Sponsor's Name NSG TECHNOLOGY, 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
	American Funds	American Funds EuroPacific Growth R2	0	249,377
	American Funds	American Funds New World Fund R2	0	215,424
	American Funds	American Funds SMALLCAP World Fnd R2	0	115,010
	American Funds	American Funds Cap Wld Growth Inc R2	0	197,136
	American Funds	American Funds New Perspective R2	0	106,661
	American Funds	American Funds Growth Fnd of Amer R2	0	198,945
	American Funds	American Funds New Economy Fund R2	0	87,030

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

Plan Name NSG TECHNOLOGY, INC 401(K) PLAN **EIN:** 77-0416181
Plan Sponsor's Name NSG TECHNOLOGY, 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
	American Funds	American Funds Fundamental Invest R2	0	62,934
	American Funds	American Funds Investment Co Amer R2	0	48,392
	American Funds	American Funds Income Fnd of Amer R2	0	46,551
	American Funds	American Funds Amer Balanced Fund R2	0	36,340
	American Funds	American Funds High Income Trust R2	0	96,737
	American Funds	American Funds Capital Wld Bnd Fund R2	0	160,942
	American Funds	American Funds Cap Income Builder R2	0	159,207

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

Plan Name NSG TECHNOLOGY, INC 401(K) PLAN **EIN:** 77-0416181
Plan Sponsor's Name NSG TECHNOLOGY, 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
	Oppenheimer	Oppenheimer Small- & Mid- Cap Value Fd C	0	71,268
	American Funds	American Funds Cash Mgmt Trust	0	1,288,265
	Seligman	Seligman Emerging Markets Fund Class C	0	127,629
	American Funds	American Funds Wash Mutual Invstr R2	0	35,904
	American Funds	American Funds Bond Fund of Amer R2	0	63,344
	American Funds	American Funds American Mutual Fd R2	0	8,819
	Participant Loans	Various rates & maturities ?	0	18,928

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

Plan Name NSG TECHNOLOGY, INC 401(K) PLAN **EIN:** 77-0416181
Plan Sponsor's Name NSG TECHNOLOGY, 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
	Frontier Trust Company	Contribution Account	0	127