

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), 6057(b), 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
		2011
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>04/26/2011</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 BLADE NETWORK TECHNOLOGIES 401(K) PLAN	<table border="1"> <tr> <td>1b Three-digit plan number (PN) ►</td> <td>001</td> </tr> <tr> <td>1c Effective date of plan</td> <td>01/01/2006</td> </tr> </table>	1b Three-digit plan number (PN) ►	001	1c Effective date of plan	01/01/2006		
1b Three-digit plan number (PN) ►	001						
1c Effective date of plan	01/01/2006						
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) BLADE NETWORK TECHNOLOGIES, INC. SCOTT CAMPBELL 1 NORTH CASTLE DRIVE MAIL DROP 218 ARMONK, NY 10504	<table border="1"> <tr> <td>2b Employer Identification Number (EIN)</td> <td>20-3821887</td> </tr> <tr> <td>2c Sponsor's telephone number</td> <td>941-765-5509</td> </tr> <tr> <td>2d Business code (see instructions)</td> <td>541511</td> </tr> </table>	2b Employer Identification Number (EIN)	20-3821887	2c Sponsor's telephone number	941-765-5509	2d Business code (see instructions)	541511
2b Employer Identification Number (EIN)	20-3821887						
2c Sponsor's telephone number	941-765-5509						
2d Business code (see instructions)	541511						

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.	02/14/2012	CHRISTINE DICK
	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 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") BLADE NETWORK TECHNOLOGIES, INC. SCOTT CAMPBELL 1 NORTH CASTLE DRIVE MAIL DROP 218 ARMONK, NY 10504	3b Administrator's EIN 20-3821887 <hr/> 3c Administrator's telephone number 941-765-5509
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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 <hr/> 4c PN
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5 Total number of participants at the beginning of the plan year	5	232
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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	0
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	0
d Subtotal. Add lines 6a , 6b , and 6c	6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	0
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	
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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 2K 2F 2G

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)	9b Plan benefit arrangement (check all that apply)
(1) ☒ Insurance	(1) ☒ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(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)** ☒ **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) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	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 <hr/> 2011 <hr/> This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 04/26/2011		
A Name of plan BLADE NETWORK TECHNOLOGIES 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 BLADE NETWORK TECHNOLOGIES, INC.	D Employer Identification Number (EIN) 20-3821887	

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	939149-01	0	01/01/2011	04/26/2011

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

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

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

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

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

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

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

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

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
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(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	0
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. Specify nature of costs ▶	6d	

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	1628013
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c Additions: (1) Contributions deposited during the year	7c(1)	0	
(2) Dividends and credits	7c(2)	0	
(3) Interest credited during the year	7c(3)	11204	
(4) Transferred from separate account	7c(4)	402770	
(5) Other (specify below)	7c(5)	0	

(6) Total additions	7c(6)	413974
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d Total of balance and additions (add b and c(6))	7d	2041987
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	1800907	
(2) Administration charge made by carrier	7e(2)	231	
(3) Transferred to separate account	7e(3)	240849	
(4) Other (specify below)	7e(4)	0	

(5) Total deductions	7e(5)	2041987
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f Balance at the end of the current year (subtract e(5) from d)	7f	0
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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 organizations(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
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 04/26/2011

A Name of plan <u>BLADE NETWORK TECHNOLOGIES 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>BLADE NETWORK TECHNOLOGIES, INC.</u>	D Employer Identification Number (EIN) <u>20-3821887</u>

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ 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

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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	4778	Yes ☐ No ☒	Yes ☐ No ☐		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	100	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

LIBERTY GROUP LLC

3923 GRAND AVE
OAKLAND, CA 94610

(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 ☒	18308	Yes ☐ No ☒

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)

(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
LIBERTY GROUP LLC	55	18308
(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
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

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

a Name: MCGLADREY & PULLEN, LLP	b EIN: 42-0714325
c Position: ACCOUNTANT	
d Address: 18401 VON KARMAN AVENUE 5TH FLOOR IRVINE, CA 92612	e Telephone: 949-255-6500
Explanation: BLADE NETWORK TECHNOLOGIES, INC. WAS ACQUIRED BY IBM IN 2010 AND THE DECISION WAS MADE TO USE A LOCALLY-BASED FIRM FOR COST EFFICIENCIES.	

a Name:	b EIN:
c Position:	
d Address:	e Telephone:
Explanation:	

a Name:	b EIN:
c Position:	
d Address:	e Telephone:
Explanation:	

a Name:	b EIN:
c Position:	
d Address:	e Telephone:
Explanation:	

a Name:	b EIN:
c Position:	
d Address:	e Telephone:
Explanation:	

SCHEDULE H (Form 5500) <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.	OMB No. 1210-0110 <div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2011</div> This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 04/26/2011		
A Name of plan BLADE NETWORK TECHNOLOGIES 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 BLADE NETWORK TECHNOLOGIES, INC.	D Employer Identification Number (EIN) 20-3821887	

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)	0	0
(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)	219646	0
(9) Value of interest in common/collective trusts.....	1c(9)	0	0
(10) Value of interest in pooled separate accounts.....	1c(10)	0	0
(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)	10618362	0
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	1628013	0
(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	12466021	0

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
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	12466021	0
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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)	0	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0

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)	67	
(F) Other	2b(1)(F)	11203	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		11270

(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)	22504	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		22504

(3) Rents	2b(3)		0
-----------------	--------------	--	---

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

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		514304
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		548078

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	43308	
(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)		43308
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	4879	
(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)		4879
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		48187

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		499891
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		12965912

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: MILLER, KAPLAN, ARASE & CO., LLP

(2) EIN: 95-2036255

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.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		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.)		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.).....		X	
e Was this plan covered by a fidelity bond?.....	X		110000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		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?		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?		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.).....		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.).....		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?.....	X		
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....	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.	X		

- 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)

IBM 401(K) PLUS PLAN

5b(2) EIN(s)	5b(3) PN(s)
13-0871985	005

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 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 04/26/2011

A Name of plan <u>BLADE NETWORK TECHNOLOGIES 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>BLADE NETWORK TECHNOLOGIES, INC.</u>	D Employer Identification Number (EIN) <u>20-3821887</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 (include any prior year accumulated funding deficiency not waived)	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 or other authority 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. 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.
----------------	---

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): _____

- 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): _____

BLADE NETWORK TECHNOLOGIES 401(k) PLAN

FINANCIAL STATEMENTS

APRIL 26, 2011 AND DECEMBER 31, 2010

BLADE NETWORK TECHNOLOGIES 401(k) PLAN

I N D E X

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EXHIBIT "B" - Statement of Changes in Net Assets Available for Benefits - January 1, 2011 to April 26, 2011	3
NOTES TO FINANCIAL STATEMENTS	4 – 8

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Independent Auditors' Report

Plan Administrator
Blade Network Technologies 401(k) Plan
c/o IBM
1 North Castle Drive
Mail Drop 218
Armonk, New York 10504-1725

We were engaged to audit the financial statements of the Blade Network Technologies 401(k) Plan as of April 26, 2011 and December 31, 2010 and for the period January 1, 2011 to April 26, 2011, as listed in the accompanying index. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Great-West Life & Annuity Insurance Company and Orchard Trust Company, LLC, the custodians of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the custodians hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained a certification from the custodians as of April 26, 2011 and December 31, 2010 and for the period January 1, 2011 to April 26, 2011, that the information provided to the Plan administrator by the custodians is complete and accurate.

As further explained in Note 1-B of the financial statements, in conjunction with the acquisition of Blade Network Technologies, Inc. by IBM Corporation, assets and participant accounts maintained under the Plan were merged into the IBM 401(k) Plus Plan effective April 26, 2011.

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 taken as a whole. The form and content of the information included in the financial statements, other than that derived from the information certified by the custodians, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Miller, Kaplan, Arase & Co., LLP

MILLER, KAPLAN, ARASE & CO., LLP

February 10, 2012

BLADE NETWORK TECHNOLOGIES 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	<u>April 26, 2011</u>	<u>December 31, 2010</u>
<u>ASSETS</u>		
Investments, at Fair Value	\$ -	\$ 12,246,375
Notes Receivable from Participants	-	219,646
	<hr/>	<hr/>
<u>TOTAL ASSETS</u>	-	12,466,021
	<hr/>	<hr/>
<u>NET ASSETS AVAILABLE FOR BENEFITS</u>	\$ -	\$ 12,466,021
	<hr/> <hr/>	<hr/> <hr/>

BLADE NETWORK TECHNOLOGIES 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
JANUARY 1, 2011 TO APRIL 26, 2011

ADDITIONS

Interest on Notes Receivable from Participants	\$ 67
Dividends and Interest	33,707
Net Appreciation in Fair Value of Investments	<u>514,304</u>
<u>TOTAL ADDITIONS</u>	<u>548,078</u>

DEDUCTIONS

Withdrawals and Distributions	43,308
Administrative Expenses	<u>4,879</u>
<u>TOTAL DEDUCTIONS</u>	<u>48,187</u>

<u>NET INCREASE BEFORE TRANSFER</u>	499,891
-------------------------------------	---------

<u>TRANSFER OF ASSETS TO IBM 401(k) PLUS PLAN</u>	12,965,912
---	------------

NET ASSETS AVAILABLE FOR BENEFITS

<u>BEGINNING OF PERIOD</u>	<u>12,466,021</u>
<u>END OF PERIOD</u>	<u>\$ -</u>

BLADE NETWORK TECHNOLOGIES 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
APRIL 26, 2011 AND DECEMBER 31, 2010

NOTE 1 - DESCRIPTION OF THE PLAN

The following brief description of the Blade Network Technologies 401(k) Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more specific provisions.

A. General

The Plan is a defined contribution plan that was established on January 1, 2006 by Blade Network Technologies, Inc. (the "Company") to provide benefits to eligible employees. The Plan was amended in 2010 and 2009 to revise provisions governing participant contributions (Note 1-E) and to revise provisions governing eligibility (Note 1-D) and vesting (Note 1-H). The Plan was further amended in 2010 to comply with legislative changes. The Plan administrator believes the Plan is designed and operated in compliance with the applicable requirements of the Internal Revenue Code (the "Code") and provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

B. Merger

On October 29, 2010 the Company was acquired by International Business Machines Corporation ("IBM"). Eligible employees of the Company who became employees of IBM or a member of IBM's controlled group of companies following the acquisition became eligible to participate in the IBM 401(k) Plus Plan ("IBM Plan") on January 1, 2011. The Plan was frozen effective January 1, 2011 pending the merger of the Plan into the IBM Plan. A total of 179 participant accounts and assets valued at approximately \$12,966,000 were transferred from the Plan to the IBM Plan on April 26, 2011.

C. Administration and Expenses

The Company appointed an Administrative Committee to manage the operation and administration of the Plan. Assets and participant accounts are maintained under a group annuity contract with Great-West Life & Annuity Insurance Company (Great-West). Great-West and an affiliate, Orchard Trust Company, LLC, serve as custodians of Plan assets. Great-West serves as third-party administrator and maintains the records of participant data. Fund operating expenses, administrative and consulting fees are charged directly to the funds and are thereby factored into each fund as a reduction of investment return. The Company pays a majority of other costs incurred for administering the Plan.

D. Eligibility

Through December 31, 2010, substantially all employees of the Company of age 21 or older were eligible for the salary deferral portion of the Plan on the first day of the month following commencement of employment. The Plan was amended effective May 1, 2009 to require a minimum of one year of service for a participant to be eligible for Company matching contributions. The Plan specifically excluded collectively bargained employees, non-resident aliens and part-time, temporary or seasonal employees.

E. Participant Contributions

Prior to January 1, 2011, participants could elect to have the Company contribute their eligible pre-tax compensation to the Plan. Participants who made pre-tax contributions to the Plan received an equivalent reduction in taxable compensation. Effective January 1, 2010, participants could also elect to make Roth after-tax contributions.

BLADE NETWORK TECHNOLOGIES 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
APRIL 26, 2011 AND DECEMBER 31, 2010

NOTE 1 - DESCRIPTION OF THE PLAN (Continued)

E. Participant Contributions (Continued)

Pre-tax deferrals and/or Roth contributions are subject to applicable Code limits. Participants of age 50 or older could make additional catch-up contributions as provided under Plan and Code provisions.

Participants were also permitted to make rollover contributions of amounts received from other tax-qualified retirement plans. Such contributions were deposited in the appropriate investment funds in accordance with the participant investment directions and Plan provisions.

F. Employer Contributions

The Company may make discretionary matching and/or non-elective contributions as provided by the Plan and approved by the Board of Directors. No employer contributions were made during the period January 1, 2011 to April 26, 2011. The Company matched 100% of the first six percent of eligible compensation contributed by participants during the 2010 Plan year subject to applicable Code limits.

G. Participant Accounts

Each participant's account is credited with the participant's contributions, rollover contributions, Company matching contributions and the participant's share of Plan earnings or losses and expenses. Plan investments are based solely on participant directions.

H. Vesting and Forfeitures

Participants are immediately 100% vested in their account accounts attributable to participant contributions and rollovers. Effective May 1, 2009 the Plan was amended to make Company contributions immediately 100% vested. Prior to this time accounts attributable to Company contributions vested over four years at the rate of 25% per year. Forfeitures of terminated participants' non-vested accounts may be used to reduce matching contributions, to pay Plan administrative expenses or may be allocated as additional matching contributions. Available forfeitures of approximately \$31,000 were used to reduce Company contributions in 2010.

I. Payment of Benefits

Normal retirement age under the Plan is age 65. Upon termination of service, death, retirement or attainment of age 59½, a participant or beneficiary may choose to leave his or her account balance in the Plan, to receive benefits. The Plan provides for benefits to be paid in a lump sum or installments. Hardship distributions are permitted under limited circumstances as provided in the Plan and approved by the Plan administrator. Benefits are recorded when paid.

J. Notes Receivable from Participants

The Financial Accounting Standards Board (FASB) issued ASU 2010-25, Reporting Loans to Participants by Defined Contribution Pension Plans – a consensus of the FASB Emerging Issues Task Force, clarifying the classification and measurement guidance on participant loans of a defined contribution pension plan. The ASU requires participant loans to be classified as notes receivable from participants and measured at their unpaid principal balance plus accrued

BLADE NETWORK TECHNOLOGIES 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
APRIL 26, 2011 AND DECEMBER 31, 2010

NOTE 1 - DESCRIPTION OF THE PLAN (Continued)

J. Notes Receivable from Participants (Continued)

unpaid interest. This guidance is a change to the requirement to classify participant loans as investments recognized in accordance with ASC 820, Fair Value Measurements Disclosures. The guidance is effective for fiscal years ending after December 15, 2010. The Plan adopted this guidance for the Plan year ended December 31, 2010.

The Plan allows participants to borrow not less than \$1,000 and up to the lesser of \$50,000 or 50% of their vested account balance. A loan bears a fixed rate of interest based on available market financing rates determined at loan inception and is secured by a participant's vested account. A loan must be repaid to the Plan within a five-year period, unless the loan is used for the purchase of a principal residence in which case the maximum repayment period may be extended to 15 years. A participant may have a maximum of 2 loans outstanding at the same time. The specific terms and conditions of participant loans are established by the Plan administrator. Outstanding notes receivable from participants valued at approximately \$219,000 were included in the transfer of Plan assets to the IBM Plan in April 2011.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

Benefit responsive investment contracts held by a defined contribution plan are required to be reported at fair value. The Plan's investment in the Great-West Guaranteed Portfolio Fund meets the definition of a fully benefit responsive contract (Note 7).

B. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures.

C. Investment Valuation and Income Recognition

Plan investments are stated 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 (Note 6). Purchases and sales of investments are recorded on the trade-date basis. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date. Mutual fund capital gains distributions are included in dividend income. Net appreciation includes the Plan's gains and losses on investments bought and sold during the year.

NOTE 3 - INCOME TAX STATUS

The Company adopted a prototype plan that has received a favorable opinion letter from the Internal Revenue Service. The Company believes the Plan is operated in accordance with and qualifies under the applicable requirements of the Code and related state statutes, and the Plan is exempt from Federal income and state franchise taxes.

BLADE NETWORK TECHNOLOGIES 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

APRIL 26, 2011 AND DECEMBER 31, 2010

NOTE 3 - INCOME TAX STATUS (Continued)

The Plan has adopted guidance on accounting for uncertainty in income taxes issued by the Financial Accounting Standards Board. The Plan administrator believes the Plan has taken no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this guidance. Information returns for all years for which the applicable statutes of limitations have not expired are subject to examination by authorities.

NOTE 4 - RELATED PARTY TRANSACTIONS

Certain investments offered under the Plan are issued by Great-West or an affiliate of Great-West. Though purchases and sales of these securities are considered party-in-interest transactions under ERISA regulations, such transactions are permitted under the provisions of the Plan and are specifically exempt from the prohibition of party-in-interest transactions under ERISA.

NOTE 5 - FINANCIAL INFORMATION CERTIFIED BY THE CUSTODIANS

In accordance with CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, all of the information disclosed in the accompanying financial statements including investments held at December 31, 2010 and interest and dividends and net appreciation in fair value of investments for the period January 1, 2011 to April 26, 2011, were obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the Plan custodians, Great-West Life & Annuity Insurance Company and Orchard Trust Company, LLC. The following table presents the fair value of investments and investment funds that include 5% or more of the Plan's net assets available for benefits:

	<u>April 26, 2011</u>	<u>December 31, 2010</u>
Fidelity Spartan 500 Index Fund	\$ -	\$ 905,643
Oppenheimer Developing Markets Fund	-	2,146,531
Guaranteed Portfolio Fund	-	1,628,013
Other Investments Individually Less Than 5% of Net Assets Available for Benefits	<u>-</u>	<u>7,566,188</u>
	<u>\$ -</u>	<u>\$ 12,246,375</u>

Certified dividends and interest for the period January 1, 2011 to April 26, 2011 were \$33,707. Certified appreciation in fair value of mutual fund investments including gains and losses on investments bought and sold during the period January 1, 2011 to April 26, 2011 was \$514,304.

NOTE 6 - FAIR VALUE MEASUREMENTS

Accounting guidance establishes a hierarchy which prioritizes valuation inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Under the fair value hierarchy Level 1 inputs are quoted prices in an active market. Level 2 inputs are quoted prices for similar instruments and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data. Level 3 inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

Mutual funds are valued at the net asset value (NAV) of shares held by the Plan at year end. The Great-West Guaranteed Portfolio Fund is valued at fair value as determined by Great-West by discounting the related cash flows based on current yields of similar instruments with comparable

BLADE NETWORK TECHNOLOGIES 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

APRIL 26, 2011 AND DECEMBER 31, 2010

NOTE 6 - FAIR VALUE MEASUREMENTS (Continued)

durations considering the credit-worthiness of the issuer (Note 7). The following table summarizes Plan investments at December 31, 2010 based on the inputs used to value them:

	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Large Cap	\$ 3,212,688	\$ -	\$ -	\$ 3,212,688
Small and Mid Cap	2,047,943	-	-	2,047,943
Balanced Asset Allocation	2,710,947	-	-	2,710,947
Fixed Income	1,144,328	-	-	1,144,328
International	1,292,746	-	-	1,292,746
Sector/Specialty	209,710	-	-	209,710
Guaranteed Portfolio Fund	-	1,628,013	-	1,628,013
	<u>\$ 10,618,362</u>	<u>\$ 1,628,013</u>	<u>\$ -</u>	<u>\$ 12,246,375</u>

NOTE 7 - GREAT-WEST GUARANTEED PORTFOLIO FUND

Plan investments in the Great-West Guaranteed Portfolio Fund are maintained in a general account by Great-West. Great-West is contractually obligated to repay principal and a specified interest rate to the Plan. The crediting interest rate is based on a formula. The average yield was 2.10% for the period January 1, 2011 to April 26, 2011 and 2.43% for the 2010 plan year.

Because the fund is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of net assets available for benefits attributable to this fund. Contract value represents contributions made to the fund, plus earnings, less participant withdrawals and administrative expenses. Participants may direct the withdrawal or transfer of all or a portion of their investment in the fund at contract value.

Certain restrictions may limit the Plan's ability to redeem its investment in the fund at contract value, and market value adjustments and/or redemption charges may apply. The Company liquidated the Plan's investment in the fund in April 2011 and Great-West assessed a market value adjustment of approximately \$17,000. This charge was paid by the Company on behalf of the Plan.

NOTE 8 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 10, 2012, the date on which the financial statements were available to be issued. There are no material subsequent events that require recognition or additional disclosure in the Plan's financial statements.