

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2010 or fiscal plan year beginning <u>09/01/2010</u> and ending <u>08/31/2011</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	<u>EXPRESS MESSENGER SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>		1b Three-digit plan number (PN) ▶
			<u>002</u>
		1c Effective date of plan <u>09/01/2005</u>	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)	2b Employer Identification Number (EIN) <u>98-0066674</u>		
	2c Sponsor's telephone number <u>602-333-4480</u>		
<u>3401 E HARBOUR DR</u> <u>PHOENIX, AZ 85034-7229</u>	2d Business code (see instructions) <u>492110</u>		

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	06/12/2012	THOMAS FISCHER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	06/12/2012	THOMAS FISCHER
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") EXPRESS MESSENGER SYSTEMS, INC 3401 E HARBOUR DR PHOENIX, AZ 85034-7229	3b Administrator's EIN 98-0066674 3c Administrator's telephone number 602-333-4480
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	1136
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	831
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	209
d Subtotal. Add lines 6a , 6b , and 6c	6d	1040
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	3
f Total. Add lines 6d and 6e	6f	1043
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	1029
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	107
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:
2P

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

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
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SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.
For calendar plan year 2010 or fiscal plan year beginning 09/01/2010 and ending 08/31/2011		
A Name of plan EXPRESS MESSENGER SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 EXPRESS MESSENGER SYSTEMS, INC	D Employer Identification Number (EIN) 98-0066674	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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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)

(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 ☐

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

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

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

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:

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

Explanation:

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 09/01/2010 and ending 08/31/2011		
A Name of plan EXPRESS MESSENGER SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 EXPRESS MESSENGER SYSTEMS, INC	D Employer Identification Number (EIN) 98-0066674	

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		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	4976332	7057805
(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)		
(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)		
(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)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	22599761	32487037
(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	27576093	39544842

Liabilities

g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	14245739	8716403
k Total liabilities (add all amounts in lines 1g through 1j)	1k	14245739	8716403

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	13330354	30828439
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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)	7057805	
(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)		7057805

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)		
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0

(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	919559	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	0	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		919559

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

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	0	
(B) Other	2b(5)(B)	9965882	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		9965882
(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)		0
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		17943246

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	78606	
(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)		78606
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		366555
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(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)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		445161

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		17498085
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: **MAYER HOFFMAN MCCANN, P.C.**

(2) EIN: **43-1947695**

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	0
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	0
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	0
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	0
e Was this plan covered by a fidelity bond?.....	X		3000000
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.			

- 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 09/01/2010 and ending 08/31/2011

A Name of plan <u>EXPRESS MESSENGER SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>EXPRESS MESSENGER SYSTEMS, INC</u>	D Employer Identification Number (EIN) <u>98-0066674</u>

Part I	Distributions
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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>78606</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>42-0127290</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)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☒ No
11 a Does the ESOP hold any preferred stock?	☒ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☒ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☒ Yes	☐ No

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): _____

**EXPRESS MESSENGER SYSTEMS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE**

August 31, 2011 and 2010

**EXPRESS MESSENGER SYSTEMS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE**

August 31, 2011 and 2010

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INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of

EXPRESS MESSENGER SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

We have audited the accompanying statements of net assets (deficit) available for benefits of the ***Express Messenger Systems, Inc. Employee Stock Ownership Plan*** (the "Plan") as of August 31, 2011 and 2010, and the related statement of changes in net assets (deficit) available for benefits for the year ended August 31, 2011. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets (deficit) available for benefits of the ***Express Messenger Systems, Inc. Employee Stock Ownership Plan*** as of August 31, 2011 and 2010, and the changes in net assets (deficit) available for benefits for the year ended August 31, 2011 in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


Phoenix, Arizona
May 10, 2012

**EXPRESS MESSENGER SYSTEMS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

STATEMENT OF NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS

August 31, 2011

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ASSETS			
INVESTMENTS, AT FAIR VALUE			
Investment in sponsor company preferred stock, at fair value	\$ 30,623,451	\$ 1,863,586	\$ 32,487,037
RECEIVABLES			
Employer contribution	<u>-</u>	<u>7,057,805</u>	<u>7,057,805</u>
TOTAL ASSETS	<u>30,623,451</u>	<u>8,921,391</u>	<u>39,544,842</u>
LIABILITIES			
Loan interest payable	-	97,747	97,747
Loan principal payable	<u>-</u>	<u>8,618,656</u>	<u>8,618,656</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 30,623,451</u>	<u>\$ 204,988</u>	<u>\$ 30,828,439</u>

See Notes to Financial Statements

**EXPRESS MESSENGER SYSTEMS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

STATEMENT OF NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS

August 31, 2010

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ASSETS			
INVESTMENTS, AT FAIR VALUE			
Investment in sponsor company preferred stock, at fair value	\$ 15,842,606	\$ 6,757,155	\$ 22,599,761
RECEIVABLES			
Employer contribution	<u>-</u>	<u>4,976,332</u>	<u>4,976,332</u>
TOTAL ASSETS	<u>15,842,606</u>	<u>11,733,487</u>	<u>27,576,093</u>
LIABILITIES			
Loan interest payable	-	273,669	273,669
Loan principal payable	<u>-</u>	<u>13,972,070</u>	<u>13,972,070</u>
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS	<u>\$ 15,842,606</u>	<u>\$ (2,512,252)</u>	<u>\$ 13,330,354</u>

See Notes to Financial Statements

**EXPRESS MESSENGER SYSTEMS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

STATEMENT OF CHANGES IN NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS

Year Ended August 31, 2011

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
ADDITIONS			
Employer contributions	\$ -	\$ 7,057,805	\$ 7,057,805
Dividends	643,658	275,901	919,559
Net unrealized appreciation in market value of investments	6,975,760	2,990,123	9,965,883
Dividends used for loan payments	-	643,658	643,658
Allocation of 528,044 shares of sponsor company's preferred stock, at market	<u>7,883,692</u>	<u>-</u>	<u>7,883,692</u>
TOTAL ADDITIONS	<u>15,503,110</u>	<u>10,967,487</u>	<u>26,470,597</u>
DEDUCTIONS			
Interest expense	-	(366,555)	(366,555)
Dividends used for loan payments	(643,658)	-	(643,658)
Allocation of 528,044 shares of sponsor company's preferred stock, at market	-	(7,883,692)	(7,883,692)
Benefit payments	<u>(78,607)</u>	<u>-</u>	<u>(78,607)</u>
TOTAL DEDUCTIONS	<u>(722,265)</u>	<u>(8,250,247)</u>	<u>(8,972,512)</u>
NET INCREASE IN NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS	14,780,845	2,717,240	17,498,085
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	<u>15,842,606</u>	<u>(2,512,252)</u>	<u>13,330,354</u>
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	<u>\$ 30,623,451</u>	<u>\$ 204,988</u>	<u>\$ 30,828,439</u>

See Notes to Financial Statements

**EXPRESS MESSENGER SYSTEMS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

NOTES TO FINANCIAL STATEMENTS

August 31, 2011 and 2010

(1) Description of the Plan

The following description of the *Express Messenger Systems, Inc. Employee Stock Ownership Plan* (the "Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

The Plan is administered by a trustee and an administrator appointed by Express Messenger Systems, Inc. (the "Company"), the Plan's sponsor.

The Company established the Plan effective as of September 1, 2005. The Plan operates as a leveraged employee stock ownership plan (the "ESOP"), and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (the "Code"), and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by an Administrative Committee comprising persons appointed by the Company's Board of Directors. The trust department of an independent third-party is the Plan's Trustee.

The Plan purchased Company preferred shares using the proceeds of a loan payable (see Note 6) guaranteed by the Company, and holds the stock in a trust established under the Plan. The loan payable is to be repaid over a period of ten years by fully tax deductible Company contributions to the ESOP. Dividends are also used to repay the loan. As the Plan makes a payment on the ESOP loan, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with application regulations under the Code.

The borrowing is collateralized by the unallocated shares of preferred stock and is guaranteed by the Company. The lender has no rights against shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan as of August 31, 2011 and 2010 and for the year ended August 31, 2011 present separately the assets and liabilities and changes therein pertaining to:

- (a) the accounts of employees with vested and non-vested rights in allocated preferred stock (Allocated) and
- (b) preferred stock not yet allocated to employees (Unallocated)

- A. General** – The Plan is a defined contribution plan covering all employees of the Company who are 21 years of age, have completed one year of service for salaried employees, completed one year of service with 1,000 hours worked for hourly employees, and who are actively employed on the last day of the plan year.
- B. Contributions** – Company contributions to the Plan are voluntary and shall not exceed the maximum amount which are deductible under the Internal Revenue Code. The Board of Directors of the Company authorized a contribution of \$7,057,805 for 2011. Of that amount, all \$7,057,805 was credited in 2011.
- C. Dividends** – The declaration of dividends by the Company on shares owned by the Plan is paid to the ESOP at the stated dividend rate of \$.4226 per share in accordance with the Company's amended and restated certificate of incorporation. The Company has the discretion to exceed this minimum amount. The amount was not exceeded in 2011 or 2010.

**EXPRESS MESSENGER SYSTEMS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

NOTES TO FINANCIAL STATEMENTS

August 31, 2011 and 2010

(1) Description of the Plan (continued)

D. Participant accounts – The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each plan year with an allocation of shares of the Company's preferred stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. Only those participants who are eligible employees of the Company as of the last day of the plan year will receive an allocation. Allocations of contributions are based on a participant's eligible compensation, relative to total eligible compensation. Allocations of plan earnings are based on participant account balances or eligible compensation as defined in the plan agreement. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

E. Vesting – If a participant's employment with the Company ends for any reason other than normal retirement, permanent disability or death, the participant's vested balance will be based on total years of service with the Company. During the year ended August 31, 2008, the Company amended its vesting schedule to comply with the requirements of the Pension Protection Act of 2006. The following vesting schedules supersede and replace the prior schedule:

The balances in each participant's ESOP Cash Account and ESOP Stock Account attributable to contributions made for plan years beginning prior to September 1, 2007 will vest in accordance with the following schedule:

<u>If the Participant's Number of Years of Service is:</u>	<u>The Vested Percentage of the Account will be:</u>
Less than 5	0%
5 or more years	100%

The balances in each participant's ESOP Cash Account and ESOP Stock Account attributable to contributions made for plan years beginning on or after September 1, 2007 will vest in accordance with the following schedule:

<u>If the Participant's Number of Years of Service is:</u>	<u>The Vested Percentage of the Account will be:</u>
0	0%
1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

F. Forfeitures – Forfeitures of non-vested accounts are allocated to remaining participants in accordance with the Plan agreement. During 2011, four participants were rehired and had their previously forfeited accounts reinstated using 1,939 in shares forfeited during 2011. An additional 15,265 forfeited shares valued at the original cost of \$215,084 were allocated to participant accounts from the remaining shares forfeited in 2011. At August 31, 2011 and 2010, there were no forfeited non-vested accounts.

G. Payment of benefits – No distributions from the Plan will be made until a participant retires, reaches age 70 ½ and is a 5% owner, becomes disabled, dies (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representatives), or otherwise terminates employment with the Company. On termination of service due to retirement, disability, or death, the balances in all of a participant's accounts shall be non-forfeitable. Distributions are made in the form of Company preferred shares.

**EXPRESS MESSENGER SYSTEMS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

NOTES TO FINANCIAL STATEMENTS

August 31, 2011 and 2010

(1) Description of the Plan (continued)

Under the provisions of the Plan, the Company is obligated to repurchase participant shares which have been distributed under the terms of the Plan as long as the shares are not publicly traded or if the shares are subject to trading limitations. During 2011, the Company repurchased 7,595 shares for \$78,607.

- H. Termination of the Plan** – Although it has not expressed any intent to do so, 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. In the event of Plan termination, participants will become 100% vested in their account balances.
- I. Administrative expenses** – Substantially all administrative expenses of the Plan are paid by the Company and are not reimbursed by the Plan.
- J. Voting rights** – Under certain circumstances, per the provisions of the Plan, each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised. The Trustee is not permitted to vote any allocated share for which instructions have not been given by a participant. The Trustee is required, however, to vote any unallocated shares on behalf of the collective best interest of Plan participants and beneficiaries.
- K. Put option** – Under Federal income tax regulations, employer stock that is held by a plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The Company can pay for the purchase over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.
- L. Diversification** – Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company stock into investments which are more diversified. Participants who are at least 55 years of age with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25 percent of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50 percent. Participants who elect to diversify receive a cash distribution.

(2) Summary of significant accounting policies

The significant accounting policies followed by the Plan are as follows:

The Financial Accounting Standards Board ("FASB") sets U.S. generally accepted accounting principles ("GAAP") to ensure consistent reporting. References to GAAP are to the *FASB Accounting Standards Codification* ("FASB ASC").

EXPRESS MESSENGER SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

August 31, 2011 and 2010

(2) Summary of significant accounting policies (continued)

Basis of accounting – The financial statements of the Plan are prepared using the accrual method of accounting. Accordingly, income and contributions are recognized when earned, and expenses are recorded when incurred.

Management's use of estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of net assets and the reported amounts of additions to and deductions from net assets. Actual results could differ from those estimates.

Concentrations of credit risk – The Plan provides for investment in shares of the Company's preferred stock, which is exposed to various risks, such as interest rate, lack of marketability and credit risks. At August 31, 2011 and 2010, investments in the Company's preferred stock represented 100% of the investments held by the Plan. Due to the level of risk associated with the Company's preferred stock, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

Investment valuation – The preferred shares of the Company are valued at fair market value which approximates fair value on August 31, 2011 and 2010. Fair value is determined by an annual independent appraisal. Dividend income is accounted for on an accrual basis on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported at fair market value.

Payment of benefits – Benefits paid to participants are recorded in the period in which they are paid.

Subsequent events – The Plan has evaluated subsequent events through May 10, 2012, which is the date the financial statements were available to be issued.

(3) Investments

Investments that represent 5% or more of the Plan's net assets at August 31, 2011 are presented in the following table:

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Sponsor Company Preferred Shares:			
Number of Shares	2,051,135	124,822	2,175,957
Cost	\$ 28,900,492	\$ 1,758,742	\$ 30,659,234
Market	\$ 30,623,451	\$ 1,863,586	\$ 32,487,037

Investments that represent 5% or more of the Plan's net assets at August 31, 2010 are presented in the following table:

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Sponsor Company Preferred Shares:			
Number of Shares	1,530,687	652,865	2,183,552
Cost	\$ 21,567,380	\$ 9,198,868	\$ 30,766,248
Market	\$ 15,842,606	\$ 6,757,155	\$ 22,599,761

During 2011, the Plan's investment in Company preferred stock (including gains and losses on Company preferred stock held during the year) appreciated in fair value \$9,965,883.

EXPRESS MESSENGER SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS

August 31, 2011 and 2010

(4) Fair value measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or collaborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes to methodologies used at August 31, 2011 and 2010.

Preferred stock - The preferred shares of the Company are valued at fair value on August 31, 2011 and 2010. The guideline company method was used by comparing the Company to publicly traded companies that are similar from an investment risk and return perspective. The discounted cash flow method estimates the value of a company based on the percent value of its expected future economic benefits by using a weighted average cost of capital of 17.5%. The calculated fair value was based on a weighted average (guideline company method - 50% and discounted cash flow method - 50%) of the results of the two valuation methods, which was further discounted for lack of marketability by 5%. This resulted in an aggregate fair value of \$32,500,000 rounded or \$14.93 per share of preferred stock as of August 31, 2011.

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of August 31:

2011:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Sponsor company preferred stock	\$ -	\$ -	\$ 32,487,037	\$ 32,487,037
2010:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Sponsor company preferred stock	\$ -	\$ -	\$ 22,599,761	\$ 22,599,761

**EXPRESS MESSENGER SYSTEMS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

NOTES TO FINANCIAL STATEMENTS

August 31, 2011 and 2010

(4) Fair value measurements (continued)

The table below sets forth a summary of changes in the fair value of the Plan's level 3 investments for the year ended August 31, 2011:

Balance, beginning of year	\$ 22,599,761
Unrealized appreciation	9,965,883
Purchases, issuances, and settlements	<u>(78,607)</u>
Balance, end of year	<u>\$ 32,487,037</u>

(5) Income tax status

The Plan has not received a determination letter from the Internal Revenue Service stating that the Plan is qualified in form, under Section 401(a) of the Internal Revenue Code (IRC). However, the Plan administrator and the Company believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC and that the Plan was qualified and the related trust was tax-exempt as of August 31, 2011 and 2010 and for the year ended August 31, 2011.

(6) Loan payable

In 2006, the Plan entered into a \$30,913,797 term loan agreement with the Company. The note shall bear interest at 4.08% through December 29, 2010 and 5.24% through December 29, 2015. The proceeds of the loan were used to purchase preferred stock of the Company. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over ten years. In November 2011, the Plan sponsor paid the employer contribution to the Plan of \$7,057,805 which was receivable as of August 31, 2011. In accordance with the Plan provisions, the Plan used the proceeds to pay down the balance on the ESOP loan. The Plan sponsor made a dividend payment of \$560,188, including unpaid interest of \$34,194, and a contribution payment of \$1,132,604 on April 10, 2012 to the Plan. In accordance with Plan provisions, the Plan used these proceeds to pay down the remaining balance on the ESOP loan thereby reducing the loan balance to zero as of April 10, 2012.

In accordance with the plan document, upon payoff of the loan the preferred shares are converted to common stock. Preferred dividends are then no longer required. Common stock dividends are at the discretion of the Plan sponsor.

(7) Employer contributions

The Company is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan.

(8) Party-in-interest transactions

Plan investments are shares of preferred stock of the Company and the Company declared dividends on shares owned by the Plan for 2011 and 2010; therefore, these transactions qualify as party-in-interest transactions.

SUPPLEMENTAL SCHEDULE

**EXPRESS MESSENGER SYSTEMS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN**

EIN: #98-0066674

Plan #002

Schedule H, Line 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

August 31, 2011

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
* Employer Securities	Express Messenger Systems, Inc.	2,175,957 preferred shares - \$14.93 per share	<u>\$ 30,659,234</u>	<u>\$ 32,487,037</u>

* Denotes a party-in-interest

PLAN SPONSOR: EXPRESS MESSENGER SYSTEMS, INC.
EIN: 98-0066674
PLAN NAME: EXPRESS MESSENGER SYSTEMS, INC. ESOP

PLAN NUMBER: 002

Schedule H, Line 4i - Schedule of Assets (Held At End of Year)

(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
		PREFERRED STOCK		
	EXPRESS MESSENGER SYSTEMS, INC.	2,175,956.9492	30,655,381	32,487,037