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 01/01/2011 and ending 12/31/2011

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(K) PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 08/01/1989

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

MONTEREY MUSHROOMS, INC.

260 WESTGATE DR
WATSONVILLE, CA 95076-2452

2b Employer Identification Number (EIN) 77-0185497

2c Sponsor's telephone number 831-763-5300

2d Business code (see instructions) 111210

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	07/31/2012	RAY SELLE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/31/2012	RAY SELLE
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

260 WESTGATE DR
WATSONVILLE, CA 95076-2452

3b Administrator's EIN
77-0185497

3c Administrator's telephone number
831-763-5300

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

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	2602
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**	2567
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	43
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	2610
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	1
f	Total. Add lines **6d** and **6e**	**6f**	2611
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	583
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	173
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2K 2T 3D

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

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

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(K) PLAN

B Three-digit plan number (PN) ▶ 002

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

D Employer Identification Number (EIN)
77-0185497

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.

1 Coverage Information:

(a) Name of insurance carrier
PRINCIPAL LIFE INSURANCE COMPANY

(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
42-0127290	61271	613953	2611	01/01/2011	12/31/2011

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
	(c) Amount	**(d)** Purpose	

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4	Current value of plan's interest under this contract in the general account at year end	4	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.	6d	

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ CUSTODIAL GUARANTEED INTEREST CONTRACT

b	Balance at the end of the previous year			7b	7742927
c	Additions: (1) Contributions deposited during the year	7c(1)	578800		
	(2) Dividends and credits	7c(2)			
	(3) Interest credited during the year	7c(3)	169332		
	(4) Transferred from separate account	7c(4)			
	(5) Other (specify below)	7c(5)	2252597		
	▶ LOAN PAYMENT, CORRECTION, OUTSIDE INVESTMENT TRANSFER				
	(6) Total additions			7c(6)	3000729
d	Total of balance and additions (add **b** and **c(6)**)			7d	10743656
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	673657		
	(2) Administration charge made by carrier	7e(2)	22846		
	(3) Transferred to separate account	7e(3)			
	(4) Other (specify below)	7e(4)	1107036		
	▶ 401(K) (M) EXCESS CONTRIBUTION, LOAN WITHDRAWAL, CORRECTION				
	(5) Total deductions			7e(5)	1803539
f	Balance at the end of the current year (subtract **e(5)** from **d**)			7f	8940117

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)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**2011** **This Form is Open to Public Inspection.**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(K) PLAN

B Three-digit plan number (PN) ▶ 002

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

D Employer Identification Number (EIN)
77-0185497

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).. . . . . [X] 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

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

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

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

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

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

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

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

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

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

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

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

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

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)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(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?
13 37 50 64	CONTRACT ADMINISTRATOR	7518	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

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

WACHOVIA SECURITIES, LLC

47-6925809

(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?
27	INVESTMENT ADVISOR	51338	Yes [ ] No [X]	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 [ ]

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
(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

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

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

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

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

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

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(K) PLAN

B Three-digit plan number (PN) ▶ 002

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

D Employer Identification Number (EIN)
77-0185497

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	317696	362558
(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)		
(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)	537859	611237
(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)	12718264	11899772
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	7742927	8940117
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	21316746	21813684
Liabilities			
g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	0	
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	21316746	21813684

Part II Income and Expense Statement

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

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	361574	
(B) Participants	2a(1)(B)	1610356	
(C) Others (including rollovers)	2a(1)(C)	124198	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		2096128
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)	24044	
(F) Other	2b(1)(F)	169332	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		193376
(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)	108219	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		108219
(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)		-430377
c	Other income	2c		4902
d	Total income. Add all **income** amounts in column (b) and enter total	2d		1972248
	Expenses			
e	Benefit payment and payments to provide benefits:			
	(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1377305	
	(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)		1377305
f	Corrective distributions (see instructions)	2f		39149
g	Certain deemed distributions of participant loans (see instructions)	2g		0
h	Interest expense	2h		
i	Administrative expenses: **(1)** Professional fees	2i(1)	0	
	(2) Contract administrator fees	2i(2)	7518	
	(3) Investment advisory and management fees	2i(3)	51338	
	(4) Other	2i(4)	0	
	(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		58856
j	Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1475310
	Net Income and Reconciliation			
k	Net income (loss). Subtract line **2j** from line **2d**	2k		496938
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)** [X] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: SILICON VALLEY ACCOUNTANCY CORP. **(2)** EIN: 77-0573994

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	**4a**	X		11618
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	**4b**		X	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.)	**4c**		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.)	**4d**		X	0
e	Was this plan covered by a fidelity bond?	**4e**	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	**4j**		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l	Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	**4n**			

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

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

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

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

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(K) PLAN

B Three-digit plan number (PN) ▶ 002

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

D Employer Identification Number (EIN)
77-0185497

Part I Distributions

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

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

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

EIN(s): 42-0127290

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

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

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

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

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

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

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

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

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):

Monterey Mushrooms, Inc. Tax Deferred 401(k) Plan

Financial Statements and Supplemental Schedules

December 31, 2011 and 2010 and for the year ended December 31, 2011 with Independent Auditors' Report

MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(k) PLAN

Financial Statements and Supplemental Schedules

December 31, 2011 and 2010
and for the year ended December 31, 2011

Table of contents

	Page
Independent Auditors' Report	1
Financial Statements:	
Statements of Net Assets Available for Benefits	2
Statement of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4
Supplemental Schedules as of December 31, 2011	13
Schedule H, Line 4a – Schedule of Delinquent Participant Contributions	
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)	

Silicon Valley Accountancy
Corporation

Certified Public Accountants
and Business Advisors

Independent Auditors' Report

To the Plan Administrator and Participants
of the Monterey Mushrooms, Inc. Tax Deferred 401(k) Plan

We were engaged to audit the financial statements and supplemental schedules of the Monterey Mushrooms, Inc. Tax Deferred 401(k) Plan ("the Plan") as of December 31, 2011 and 2010, and for the year ended December 31, 2011, as listed in the accompanying table of contents. These financial statements and supplemental schedules 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 4, which was certified by Delaware Charter Guarantee and Trust Company d/b/a Principal Trust Company ("Principal"), the trustee and custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. The Plan Administrator has informed us that Principal holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from Principal as of December 31, 2011 and 2010, and for the year ended December 31, 2011, that the information provided to the Plan Administrator by Principal is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The supplemental schedules are presented for the purpose of additional analysis and are not a required part of the financial statements but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by Principal, 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.

Silicon Valley Accountancy Corporation

SILICON VALLEY ACCOUNTANCY CORPORATION

San Jose, California
July 30, 2012

3150 Almaden Expwy, Suite 105
San Jose, CA 95118
Tel: 408-448-8000
Fax: 408 448-8024
eMail: info@cpas-svac.com
www.cpas-svac.com

MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2011	2010
Assets:		
Investments, at fair value	$ 20,392,883	$ 20,074,045
Assets held for investment purposes	20,392,883	20,074,045
Notes receivable from participants	611,237	537,859
Employer's contribution receivable	362,558	317,696
Total assets	21,366,678	20,929,600
Liabilities:		
Contributions refundable	15,762	35,187
Total liabilities	15,762	35,187
Net assets reflecting assets at fair value	21,350,916	20,894,413
Adjustment from fair value to contract value for fully benefit-responsive fund	447,006	387,146
Net assets available for benefits	$ 21,797,922	$ 21,281,559

The accompanying notes are an integral part of the financial statements.

MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year ended December 31, 2011
Additions to net assets attributed to:	
Investment income:	
Interest and dividends	$ 277,551
Interest income on notes receivable from participants	24,044
Contributions:	
Employer's	361,574
Participants'	1,610,356
Rollovers	124,198
Total additions	2,397,723
Deductions from net assets attributed to:	
Investment loss:	
Net realized and unrealized depreciation in fair value of investments	425,475
Withdrawals and distributions	1,397,029
Plan fees	58,856
Total deductions	1,881,360
Net increase in net assets	516,363
Net assets available for benefits:	
Beginning of year	21,281,559
End of year	$ 21,797,922

The accompanying notes are an integral part of the financial statements.

MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010 (See Independent Auditors' Report)

NOTE 1 – DESCRIPTION OF PLAN

The following description of the Monterey Mushrooms, Inc. Tax Deferred 401(k) Plan ("the Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General – The Plan is a defined contribution plan that was established on August 1, 1989 covering all eligible employees of Monterey Mushrooms, Inc. and its affiliates (collectively referred to as "the Company" or "Plan Administrator"), as defined in the Plan agreement. The Plan Administrator believes the Plan is designed and operated in compliance with the applicable requirements of the Internal Revenue Code and the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

Administration – An Administrative Committee ("the Committee") manages the operation and administration of the Plan. Delaware Charter Guarantee and Trust Company d/b/a Principal Trust Company ("Principal") is the Plan's trustee, custodian, and maintains the records of participant data.

Contributions – Each year, participants may contribute up to 70% of eligible pretax annual compensation, as defined in the Plan not to exceed the maximum allowed by law. Participants who are 50 or older can elect to make catch-up contributions to the Plan, not to exceed the maximum allowed by law. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

The Company may make discretionary matching contributions to the Plan as determined by the Board of Directors. In 2011, the Company matched 34% of each participant's deferral, up to a maximum deferral percentage of 6% of eligible compensation. The Company's matching contribution is subject to certain eligibility requirements as outlined in the Plan document. The Company's matching contribution for 2011 in the amount of $362,558 was a receivable as of December 31, 2011 and was funded in 2012. In 2010, the Company matched 33% of each participant's deferral, up to a maximum deferral percentage of 6% of eligible compensation. The Company's matching contribution for year 2010 in the amount of $317,696 was a receivable as of December 31, 2010 and was funded in 2011.

Participant Accounts – Each participant's account is credited with the participant's contribution, the Company's discretionary matching contribution, an allocation of Plan earnings or losses, and Plan fees as applicable to the Plan. Allocations of Plan earnings and losses are based on individual participant investment choices. All contributions/investments are participant directed. The

benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Certain investment and fund fees are charged to the funds and participant accounts and are offset against plan investment income and losses. Participants should refer to the funds' prospectuses for further information on these fees.

Vesting – Participants are immediately vested in their contributions and rollover amounts, if any, plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of credited service at a rate of 20% per year beginning at the end of the first year. A participant is 100% vested after five years of credited service. Participants become fully vested in the event of death, disability, normal retirement age, or Plan termination.

Notes Receivable from Participants - Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum of $50,000 or 50% of their vested account balance, whichever is less. The notes are secured by the balance in the participant's account and bear interest at rates, which are commensurate with local prevailing rates as determined by the Plan Administrator. Outstanding notes carry interest rates which range from 4.25% to 8.25% in December 31, 2011 and 2010. Principal and interest is paid ratably through payroll deductions. Notes must be repaid within a five-year period, unless it is used for the purchase of a principal residence in which case the maximum repayment period may be longer. The Plan Administrator establishes the specific terms and conditions of such notes.

Payment of Benefits – Distributions from the Plan may only be made after specific events have occurred. Participants are eligible for a distribution upon termination of employment, death, retirement, disability or Plan termination and are paid in accordance with Plan provisions. Participants may be eligible to receive distributions up to their elective deferral contributions account balance in the case of financial hardship. Participants are eligible to receive in-service distributions upon attaining age $59^{1/2}$.

Forfeited Accounts – Forfeitures may first be used to pay Plan expenses. Any remaining forfeitures can be used to offset future Company contributions. As of December 31, 2011 and 2010, the forfeiture account balance was $3,186 and $3,165, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition – Investments of the Plan are reported at fair value as determined by Principal. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants – Notes receivable from participants in the financial statements are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable from participants are reclassified as distributions based upon the terms of the Plan document.

Operating Expenses – Certain expenses incurred for administering the Plan are paid by the Company. Plan administration, investment advisory and management fees are paid by the Plan and charged to participant accounts. Participant loan and distribution fees are paid by participants.

Payment of Benefits – Benefits are recorded when paid.

Subsequent Events – The Plan has evaluated subsequent events through July 30, 2012, the date the financial statements were available to be issued.

NOTE 3 – RISKS AND UNCERTAINTIES

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

NOTE 4 – CERTIFIED INFORMATION

In accordance with 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, information certified by Principal regarding the current value of assets held at December 31, 2011 and 2010, and transactions entered into during the year ended December 31, 2011, was used in the preparation of the accompanying financial statements and supplemental schedules. The following table includes the fair values of investment funds that represent 5% or more of the Plan's net assets available for benefits at December 31:

	2011		2010	
American Century International Bond Fund	$ 216,854		$ 20,355	
American Century Growth Fund	2,448,452	*	-	
Columbia Mid Cap Value Fund	195,315		211,901	
Eaton Vance Large Cap Value Fund	1,751,638	*	1,141,236	*
Fidelity Advisor Government Income Fund	252,945		223,794	
Heartland Value Plus Fund	858,293		750,063	
Janus Enterprise Fund	601,900		636,117	
JP Morgan Core Bond Fund	1,427,059	*	446,472	
Principal Diversified International Fund	-		832,994	
Principal Fixed Income Guaranteed Option	8,493,111	*	7,355,781	*
Principal Intl Emerging Markets Fund	-		97,720	
Principal Lifetime Strategic Income Fund	-		112,684	
Principal Lifetime 2010 Fund	-		253,526	
Principal Lifetime 2015 Fund	-		719,778	
Principal Lifetime 2020 Fund	-		1,067,921	*
Principal Lifetime 2025 Fund	-		415,123	
Principal Lifetime 2030 Fund	-		732,080	
Principal Lifetime 2035 Fund	-		126,961	
Principal Lifetime 2040 Fund	-		214,037	
Principal Lifetime 2045 Fund	-		68,977	
Principal Lifetime 2050 Fund	-		18,343	
Principal Lifetime 2055 Fund	-		1,647	
Principal Large Cap - S&P 500 Index Fund	1,837,540	*	1,654,552	*
Principal Large Cap Growth Fund	-		2,306,274	*
Principal Mid Cap - S&P 400 Index Fund	468,943		250,891	
Principal Small Cap - S&P 600 Index Fund	52,248		43,005	
Royce Value Plus Service Fund	168,280		308,044	
Invesco Developing Markets Fund	401,176		-	
Thornburg International Value Fund	1,115,409	*	-	

Victory Diversified Stock Fund	103,720	63,769
Assets held for investment purposes	20,392,883	20,074,045
Notes receivable from participants	611,237	537,859
Total	$21,004,120	$20,611,904

*Represents 5% or more of Net Assets Available for Benefits.

During the year ended December 31, 2011, interest and dividends income was as follows:

Gain on Fixed Income fund	$109,472
Adjustment from fair value to contract value for Fixed Income fund	59,860
Fixed Income fund interest	169,332
Mutual fund dividends	108,219
Interest and dividends	$277,551
Interest income on notes receivable from participants	$24,044

The Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value as follows for the year ended December 31, 2011:

Mutual funds	($425,475)

NOTE 5 – FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the 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 or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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 in the methodologies used at December 31, 2011 and 2010.

Mutual Funds: Valued at the net asset value ("NAV") of shares held by the Plan at year end based on closing market prices.

Guaranteed Fixed Income Option: Valued at fair value based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value:

	Assets at Fair Value as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Large U.S. Equity	$ 6,141,350	$ -	$ -	$ 6,141,350
Small/Mid U.S. Equity	2,344,979	-	-	2,344,979
International Equity	1,516,585	-	-	1,516,585
Fixed Income	1,896,858	-	-	1,896,858
Guar. Fixed Income Option	-	8,493,111	-	8,493,111
Total assets at fair value	$11,899,772	$8,493,111	$ -	$20,392,883

	Assets at Fair Value as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Large U.S. Equity	$ 5,165,831	$ -	$ -	$ 5,165,831
Small/Mid U.S. Equity	2,200,021	-	-	2,200,021
International Equity	930,714	-	-	930,714
Balanced/Asset Allocation	3,731,077	-	-	3,731,077
Fixed Income	690,621	-	-	690,621
Guar. Fixed Income Option	-	7,355,781	-	7,355,781
Total assets at fair value	$12,718,264	$7,355,781	$ -	$20,074,045

NOTE 6 – FIXED INCOME FUND

The Principal Fixed Income Guaranteed Option fund is valued at contract value as reported by Principal. Fixed Income Guaranteed Option funds held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive Guaranteed Fixed Income Option funds. The Principal Fixed Income Guaranteed Option fund is fully benefit-responsive. For the Principal Fixed Income Guaranteed Option fund there is an adjustment between contract value and fair value as reflected on the financial statements as of December 31, 2011 and 2010. The average yield earned by the Plan and the average yield credited to participants was approximately 2.14% for 2011 and 2.32% for 2010. The minimum crediting rate is 0% under the contract. The gross crediting interest rate is reset on a periodic basis and is based on the Plan's contract with Principal and ranged from 2.65% to 2.85% for 2011 and from 2.85% to 3.25% for 2010. The gross crediting rate is reduced by a rate level service charge for record-keeping services.

NOTE 7 – RELATED PARTY TRANSACTIONS

Plan investments are managed by Principal. Such transactions, while considered party-in-interest transactions under ERISA regulations, are permitted under the provisions of the Plan and are specifically exempt from the prohibition of party-in-interest transactions under ERISA.

NOTE 8 – TAX STATUS

The Plan has adopted a prototype plan, which has received an opinion letter dated March 31, 2008 from the Internal Revenue Service. The Plan has been amended since, however, the Plan Administrator believes that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code and state statutes and is exempt from federal income and state franchise taxes.

U.S. GAAP require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by various taxing authorities and government agencies. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes the Plan is no longer subject to income tax examinations for years for which the applicable statutes of limitations have expired.

NOTE 9 – PLAN TERMINATION AND/OR MODIFICATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to amend or terminate the Plan at any time, subject to the provisions of ERISA.

NOTE 10 – RECONCILIATION OF FINANCIAL STATEMENTS TO THE FORM 5500

The financial statements are prepared on the accrual basis of accounting and reflect corrective distributions made to participants to pass non-discrimination tests as of December 31, 2011 and 2010. Such corrective distributions are reflected on the Form 5500 on the cash basis.

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2011 to the Form 5500:

Net assets available for benefits per the financial statements	$21,797,922
Add: Contributions refundable	15,762
Net assets available for benefits per the Form 5500	$21,813,684
Total distributions per the financial statements for 2011	$1,397,029
Add: Contributions refundable for 2010	35,187
Less: Contributions refundable for 2011	(15,762)
Total distributions per the Form 5500	$1,416,454

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2010 to the Form 5500:

Net assets available for benefits per the financial statements	$21,281,559
Add: Contributions refundable	35,187
Net assets available for benefits per the Form 5500	$21,316,746

NOTE 11 – NON-EXEMPT TRANSACTIONS

Certain participant contributions and loan repayments in the amount of $11,618 made by participants in 2008 and 2009 were not deposited with the custodian on a timely basis. Because of the delay in deposit of the amounts, these contributions are considered prohibited transactions under ERISA. The lost earnings (prohibited transaction amount) and the necessary excise tax filing were made by the Plan Sponsor in 2011.

SUPPLEMENTAL SCHEDULES

MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(k) PLAN **EIN: 77-0185497**
PLAN #002

SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTION
DECEMBER 31, 2011

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
Includes late Participant Loan repayments	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
$11,618		$11,618		

*Represents participant contributions and loan repayments in 2008 and 2009 which were deposited late to the Plan. The Plan Sponsor reimbursed the Plan for lost earnings and make the necessary excise tax filing with the IRS in 2011.

See Independent Auditors' Report.

MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(k) PLAN

EIN: 77-0185497
PLAN #002

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2011

(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	(e) Current value
*	American Century International Bond Fund	Mutual Fund	$ 216,854
*	American Century Growth Fund	Mutual Fund	2,448,452
*	Columbia Mid Cap Value Fund	Mutual Fund	195,315
*	Eaton Vance Large Cap Value Fund	Mutual Fund	1,751,638
*	Fidelity Advisor Government Income Fund	Mutual Fund	252,945
*	Heartland Value Plus Fund	Mutual Fund	858,293
*	Janus Enterprise Fund	Mutual Fund	601,900
*	JP Morgan Core Bond Fund	Mutual Fund	1,427,059
*	Principal Fixed Income Guaranteed Option	Fixed Income	8,493,111
*	Principal Large Cap - S&P 500 Index Fund	Mutual Fund	1,837,540
*	Principal Mid Cap - S&P 400 Index Fund	Mutual Fund	468,943
*	Principal Small Cap - S&P 600 Index Fund	Mutual Fund	52,248
*	Royce Value Plus Service Fund	Mutual Fund	168,280
*	Invesco Developing Markets Fund	Mutual Fund	401,176
*	Thornburg International Value Fund	Mutual Fund	1,115,409
*	Victory Diversified Stock Fund	Mutual Fund	103,720
	Assets held for investment purposes		20,392,883
*	Participant Loans/Notes receivable from participants	Interest rates from 4.25% to 8.25%	611,237
	Total		$ 21,004,120

* Indicates party-in-interest to the Plan

See Independent Auditors' Report

F051TF

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

MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(K)

EIN 77 0185497
PLAN NUMBER 002
PLAN YEAR 01/01/2011 TO 12/31/2011

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	American Century Investments	Registered Investment Company Am Cent Intl Bond A Fund	$ 0.00	$ 216,853.54
	American Century Investments	Registered Investment Company AM CENT GROWTH A FUND	$ 0.00	$ 2,448,452.11
	Columbia Funds	Registered Investment Company Columbia MidCap Value A Fund	$ 0.00	$ 195,314.60
	Eaton Vance	Registered Investment Company Eaton Vance Lg-Cap Value A Fd	$ 0.00	$ 1,751,638.31
	Fidelity Investments	Registered Investment Company Fid Advisor Govt Income T Fund	$ 0.00	$ 252,945.30
	Heartland Funds	Registered Investment Company Heartland Value Plus Fund	$ 0.00	$ 858,292.96
	Invesco Funds Group, Inc.	Registered Investment Company INVESCO DEVELOPING MKTS A FUND	$ 0.00	$ 401,176.37
	Janus International Holding, LLC	Registered Investment Company Janus Enterprise S Fund	$ 0.00	$ 601,899.95
	JP Morgan Funds	Registered Investment Company JP Morgan Core Bond A Fund	$ 0.00	$ 1,427,059.00
*	Principal Life Insurance Company	Insurance Company General Prin Fixed Inc Guar Option	$ 0.00	$ 8,940,117.06
*	Principal Funds Inc	Registered Investment Company Prin LgCap S&P 500 Idx R4 Fund	$ 0.00	$ 1,837,540.20
*	Principal Funds Inc	Registered Investment Company Prin MidCap S&P 400 Idx R4 Fd	$ 0.00	$ 468,943.00
*	Principal Funds Inc	Registered Investment Company Prin SmCap S&P 600 Idx R4 Fund	$ 0.00	$ 52,248.37
	The Royce Funds	Registered Investment Company Royce Value Plus Service Fund	$ 0.00	$ 168,279.53
	Thornburg	Registered Investment Company THORNBURG INTL VALUE R4 FUND	$ 0.00	$ 1,115,409.48

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

F051TF

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

MONTEREY MUSHROOMS, INC. TAX DEFERRED 401(K)

EIN 77 0185497
PLAN NUMBER 002
PLAN YEAR 01/01/2011 TO 12/31/2011

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	Victory Funds	Registered Investment Company Victory Diversified Stk A Fund	$ 0.00	$ 103,719.66
	Participant Loans	Range of Interest Rates Rates Range From 4.25% To 8.25%	$ 0.00	$ 611,237.00

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