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:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
HEADLANDS VENTURES LLC 401(K) PROFIT SHARING PLAN & TRUST

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 07/01/1999

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

HEADLANDS VENTURES LLC

819 FIFTH AVENUE
SAN RAFAEL, CA 94901

819 FIFTH AVENUE
SAN RAFAEL, CA 94901

2b Employer Identification Number (EIN) 94-3286388

2c Sponsor's telephone number 415-454-6921

2d Business code (see instructions) 451110

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.	10/12/2012	JULIE VOGT
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

819 FIFTH AVENUE
SAN RAFAEL, CA 94901

3b Administrator's EIN
94-3286388

3c Administrator's telephone number
415-454-6921

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**	130
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**	166
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	8
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	174
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	174
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	41
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	2
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 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)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

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
HEADLANDS VENTURES LLC 401(K) PROFIT SHARING PLAN & TRUST

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
HEADLANDS VENTURES LLC

D Employer Identification Number (EIN)
94-3286388

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

PAYCHEX SECURITIES CORPORATION

16-1486352

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

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

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

(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 ☐

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

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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
HEADLANDS VENTURES LLC 401(K) PROFIT SHARING PLAN & TRUST

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
HEADLANDS VENTURES LLC

D Employer Identification Number (EIN)
94-3286388

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)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1283	2806
(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)	28111	29985
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	791677	861079
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

		(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	821071	893870
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k		
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	821071	893870

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)	84554	
(B) Participants	2a(1)(B)	92901	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		177455
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)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	1428	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		1428
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	27159	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		27159
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		

		(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)		-27220
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		178822
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	105878	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		105878
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	145	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		145
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		106023
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		72799
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) [X] 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 [X] No

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

(1) Name: CHEK TAN AND COMPANY (2) EIN: 94-2921777

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	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	**4b**		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	**4c**		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	**4d**		X	
e	Was this plan covered by a fidelity bond?	**4e**		X	
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**		X	

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

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

5b(1) Name of plan(s)	**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
HEADLANDS VENTURES LLC 401(K) PROFIT SHARING PLAN & TRUST

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
HEADLANDS VENTURES LLC

D Employer Identification Number (EIN)
94-3286388

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**

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): 16-1470238

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):

HEADLANDS VENTURES, LLC
401(K) PROFIT SHARING PLAN AND TRUST
FINANCIAL REPORT
YEARS ENDED DECEMBER 31, 2011 and 2010

HEADLANDS VENTURES, LLC
401(K) PROFIT SHARING PLAN AND TRUST
FINANCIAL REPORT
YEARS ENDED DECEMBER 31, 2011 and 2010

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CHEKTAN
AND COMPANY
A CERTIFIED PUBLIC ACCOUNTING FIRM

INDEPENDENT AUDITOR'S REPORT

To the Administrative Committee of
the Headlands Ventures, LLC
401(k) Profit Sharing Plan and Trust

I have audited the accompanying statements of net assets available for benefits of Headlands Ventures, LLC 401(k) Profit Sharing Plan and Trust (the 'Plan') as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. These financial statements are the responsibility of the Plan's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit 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. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the year ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

601 VAN NESS AVENUE, SUITE Q/R
SAN FRANCISCO, CALIFORNIA 94102
TEL: 415.673.8573 FAX: 415.673.0883
www.chektan.com

My 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) referred to as "supplemental information", is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary 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 basic 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 auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Gilbert Tam and Company

San Francisco, California
October 8, 2012

HEADLANDS VENTURES, LLC
401(K) PROFIT SHARING PLAN AND TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 and 2010

ASSETS

	2011	2010
Investments, at fair value:		
Money market funds	$ 2,806	$ 1,283
Mutual funds	861,079	791,677
	863,885	792,960
Receivables:		
Employer contributions	127	45,962
Notes receivable from participants	29,985	28,111
	30,112	74,073
Net assets available for benefits	$893,997	$867,033

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

HEADLANDS VENTURES, LLC
401(K) PROFIT SHARING PLAN AND TRUST
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2011

	2011
Additions:	
Additions to net assets attributed to	
Investment income/(loss):	
Net depreciation in fair market value of investments in mutual funds	$(27,220)
Interest and dividends	27,159
Total investment income/(loss)	(61)
Interest income on notes receivable from participants	1,428
Contributions:	
Participants	92,901
Employer	38,719
Total contributions	131,620
Total additions	132,987
Deductions:	
Deductions from net assets attributed to	
Benefits paid to participants	105,878
Administrative fee and expenses	145
Total deductions	106,023
Net increase	26,964
Net assets available for benefits, beginning of year	867,033
Net assets available for benefits, end of year	$ 893,997

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

Note 1 - Description of Plan

The following description of the Headlands Ventures, LLC ('Company') 401(k) Profit Sharing Plan and Trust ('Plan') provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

a. General

The Plan is a defined contribution plan and was established on July 1, 1999 for the benefit of all eligible employees of the Company. Employees can enroll into the Plan after completion of three consecutive months of service. Generally, the Plan covers all employees of the Company who are at age 21 or older, except for employees who are:

- included in a unit of employees covered by the terms of a collective bargaining agreement; or
- non-resident aliens who received no earned income from the Company; or
- employees as a result of an asset or stock acquisition, merger, or similar transaction.

It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

b. Participants' contributions

Participants may contribute up to $16,500 of the pre-tax annual compensation for the year ended December 31, 2011. Participants who have attained age 50 before the end of plan year are eligible to make additional catch up contribution with an amount up to $5,500 for the year ended December 31, 2011. Participants may also contribute amounts representing distribution from other qualified defined benefit or contribution plans.

c. Employer's contributions

Each plan year, the Company may contribute, as determined by the Board of Directors, to the Plan based on the total compensation of all the participants eligible to receive an allocation. The Company may, at its discretion, make qualified non-elective contributions to participants who are not highly compensated employees. The Company may also make profit sharing contributions to all qualified participants at its discretion. Both qualified non-elective and profit sharing contributions will be allocated to the participants according to the ratio that the participant's compensation for the plan year bears

Note 1 - Description of Plan (continued)

c. Employer's contributions (continued)

to the total compensation of all participants for such plan year. For the year ended December 31, 2011, no employer's qualified non-elective and profit sharing contributions was made.

d. Participant accounts

Each participant's account is credited with the participant's and employer's contributions, and allocations of gains or losses from investments. The allocations are based on terms 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

Participants are immediately and fully vested in their contributions and gains or losses thereon allocated to their accounts. Participants vest in the employer's discretionary contributions according to the following schedule:

Years of Employment	Vested Percentages
1	25%
2	50%
3	75%
4	100%

Participants will be fully vested with the employer's discretionary contributions in the event of death, disability, attainment of normal retirement age or complete or partial termination of the Plan. Forfeitures are allocated to the qualified participants in the ratio that the participant's compensation for the plan year bears to the total compensation of all participants for such plan year. For the year ended December 31, 2011, no forfeitures were allocated to the participants' accounts.

f. Investment options

Participants can direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers thirteen pre-selected mutual funds and a money market fund as investment options for the participants. Participants may change their investment options and allocations at any time.

Note 1 - Description of Plan (continued)

g. Rollovers

With the approval of the plan administrator, the Plan may receive any amounts received by an employee as distribution from another qualified plan provided that the receipt of such amounts does not adversely affect the qualified tax status of the Plan. Participants are fully vested in these amounts.

h. Notes receivable from participants

All participants with a vested balance of at least $2,000, except stockholders who own 5% or more stock of the Company, may borrow from their accounts. Loan fees and interest due are paid by the participant. Each participant may have only one loan outstanding at any given time. The minimum loan amount is $1,000, but not exceeding the lesser of:

- one-half of the participant's vested account balance; or
- $50,000 (reduced by the highest outstanding loan balance during the one year period ending on the day the loan agreement is executed).

The maximum repayment period is generally 4½ years for a general purpose loan. If the loan is obtained for the purpose of purchasing a primary residence, the maximum repayment period is 10 years. The loan will bear interest at a fixed rate of 1% above the prime rate as published on the first business day of the month. Principal and interest are paid ratably through payroll deductions on a per pay period basis. Borrower may prepay all or a portion of the outstanding loan without penalty. All loans are secured by 50% of the participant's vested account balance.

i. Payment of benefits

Upon separation from employment due to termination of employment, death, disability, retirement or attainment of the age of 59½, the participant has three options concerning the account balance when a distribution is made:

- The participant may elect to roll the vested account balance to another qualified retirement plan or to an individual retirement account;
- The participant may elect to have the vested account balance distributed and income taxes will be withheld accordingly; or
- If the account balance is greater than $5,000, the participant can leave the vested account balance in the Plan until the participant authorizes a distribution.

Note 1 - Description of Plan (continued)

i. Payment of benefits (continued)

The Plan allows participants to take an in-service withdrawal even if they are actively employed with the Company upon attainment of the age of 59½, employer profit sharing and contributions may be withdrawn from the account.

The Plan does not allow for hardship withdrawals.

j. Administration and costs of plan administration

The Company and the Plan trustee are responsible for administering the Plan.

The Company absorbs all costs of Plan administration. Accordingly, such expenses are not reported in the Plan's statement of changes in net assets available for benefits.

Note 2 - Summary of Significant Accounting Policies

a. Basis of accounting and use of accounting estimates

The Plan maintains its accounting records on the accrual method of accounting.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

b. Recent Accounting Pronouncements

In January 2010, the FASB issued Accounting Standards Update ("ASU") 2010-16, "Improving Disclosures about Fair Value Measurements." This update requires a number of new disclosures including disclosure of significant transfers in or out of Level 1 and Level 2 and the reasons for such transfers, an entity's policy for determining when transfers between levels are recognized, the valuation techniques and inputs used in determining the fair value of assets or liabilities classified as Level 2 or Level 3 and requires the changes in Level 3 fair value measurements to be disclosed separately rather than net. In addition, this update seeks to improve transparency by requiring fair value measurement disclosures for each class of assets and liabilities. This pronouncement is effective for reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlement in the roll forward of activity in Level 3 fair value measurements which are effective for fiscal years beginning after December 15, 2010. The Plan adopted this

Note 2 – Summary of Significant Accounting Policies (continued)

b. Recent Accounting Pronouncements (continued)

this pronouncement in its the entirety effective beginning on January 1, 2010. The adoption of this pronouncement did not have a material impact on the Plan's financial statements.

In September 2010, the FASB issued ASU 2010-25, "Reporting Loans to Participants by Defined Contribution Pension Plans." ASU 2010-25 was issued to clarify how loans to participants should be classified and measured by defined contribution plans. ASU 2010-25 requires that participant loans be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. This pronouncement is effective for fiscal years ending after December 15, 2010 and shall be applied retrospectively. The Plan adopted this pronouncement on a retrospective basis effective beginning on January 1, 2010. The Plan has reclassified amounts previously reported to conform to the current presentation. The adoption of this pronouncement did not have a material impact on the Plan's financial statements.

In May 2011, the FASB issued ASU No. 2011-04, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards." ASU 2011-04 was issued to provide a consistent definition of fair value and ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and International Financial Reporting Standards. ASU 2011-04 changes certain fair value measurement principles and enhances the disclosure requirements particularly for Level 3 fair value measurements. This pronouncement is effective for reporting periods beginning on or after December 15, 2011, with early adoption prohibited. The new guidance will require prospective application. The Plan is currently evaluating the effect that the provisions of this pronouncement will have on its financial statements.

c. Investment valuation and income recognition

Investments in mutual funds are stated at fair market value. Shares of mutual funds are valued at quoted market prices, which represent the net asset of value of shares held by the Plan at the end of the plan year. Purchases and sales of securities are recorded on a trade-date basis. Participant loans are valued at amortized cost, which represents fair value. Interest income is recorded when earned. Dividends are recorded on the ex-dividend date. The Plan presents in the Statement of Changes in Net Assets Available for Benefits the net appreciation (depreciation) in the fair value of investments, which consists of realized gain or losses and unrealized appreciation (depreciation) on those investments.

Note 2 - Summary of Significant Accounting Policies (continued)

d. Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

e. Net appreciation (depreciation) in fair value of investments

Realized and unrealized appreciation (depreciation) in the fair value of investments is based on the difference between the fair value of the assets at the beginning of the year, or at the time of purchase for assets purchased during the year, and the related fair value on the day investments are sold with respect to realized appreciation (depreciation), or on the last day of the year for unrealized appreciation (depreciation).

Realized and unrealized appreciation (depreciation) is recorded in the accompanying Statement of Changes in Net Assets Available for Benefits as net appreciation (depreciation) in fair value of investments.

f. Risks and uncertainties

The Plan provides various funds that hold investment securities. Investment securities are exposed to various risks such as interest rate, market volatility, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risk in the near term would materially affect participants' account balances and the amounts reported in the financial statements.

g. Participant distributions

Benefits paid to participants are recorded when paid.

Note 3 - Investments

Individual investments that represent 5% or more of the fair value of net assets available for benefits at the end of the plan year are as follows for the years ended December 31, 2011 and 2010:

	2011	2010
Investments at fair value as determined by quoted market prices:		
California Investment Trust Nasdaq 100 Index fund Class Direct	$ 52,913	$ 59,849
California Investment Trust S&P Mid Cap Index Fund Class Direct	76,705	80,372
Columbia Small Cap Index Fund Class Z	180,608	186,849
Franklin Templeton Mutual European Fund Class A	60,034	67,129
Legg Mason Western Asset Mortgage Backed Securities Fund Class I	52,122	52,308
Schwab S&P 500 Index Fund	126,165	109,907
T. Rowe Price Retirement 2020 Fund Class R	208,035	175,126

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

Mutual funds	$(27,220)
Net depreciation in fair value of investments	(27,220)
Interest and dividend income	27,159
Total investment income/(loss)	$(61)

Note 4 - Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, "Fair Value Measurements" (Formerly SFAS No. 157) 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 lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC Topic 820 are described as follows:

Note 4 – Fair Value Measurements (continued)

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Quotes prices in markets that are not considered to be active or financial instruments for which all the significant inputs are observable, either directly, or indirectly.

Level 3: Prices or valuations which require inputs that are significant both to the fair value measurement and unobservable.

The following table lists the fair value of investment assets as of December 31, 2011:

	Level 1	Level 2	Level 3	Total
Money market funds	$ 2,806	$0	$0	$ 2,806
Mutual funds	861,079	0	0	861,079
Total investments measured at fair value	$863,885	$0	$0	$863,885

The following table lists the fair value of investment assets as of December 31, 2010:

	Level 1	Level 2	Level 3	Total
Money market funds	$ 1,283	$0	$0	$ 1,283
Mutual funds	791,677	0	0	791,677
Total investments at fair value	$792,960	$0	$0	$792,960

The Plan's investments that are measured at fair value on a recurring basis, such as mutual funds and cash and cash equivalents are generally classified within Level 1 of the fair value hierarchy. The fair values of these investments are based on quoted market prices in active markets.

Note 5 - Notes Receivable from Participants

The Plan permits its participants to obtain loans against their account balances. Loans to participants are collateralized by the respective participant's remaining account balance. The loans bear interest rates ranging from 4.25% to 6.25% and to loans require bi-weekly payments of $91 to $265, depending on the respective loan amounts and terms. The value of notes receivable was measured at their unpaid balances plus any accrued but unpaid interest. As of December 31, 2011 and 2010, total loans outstanding were $29,985 and $28,111, respectively. During the year ended December 31, 2011, interest earned on such loans was $1,428.

Note 6 - Reconciliation of Financial Statements to Schedule H of Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2011 and 2010 to Form 5500:

	2011	2010
Net assets available for benefits per financial statements	$ 893,997	$ 867,033
Employer contributions receivable	(127)	(45,962)
Net assets available for benefits per Schedule H of Form 5500	$ 893,870	$ 821,071

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

Net increase in net assets available for benefits per the financial statements	$ 26,964
Employer contributions receivable as of 12/31/2010	45,962
Employer contribution receivable as of 12/31/2011	(127)
Net increase in net assets available for benefits per Form 5500	$ 72,799

Note 7 - Party-in-Interest Transactions

The Plan has outstanding notes receivable from participants that are classified as party-in-interest transactions as defined in Section 3(14) of ERISA which are secured by the balances in the participants' accounts.

Note 8 - Income Tax Status

The Plan had obtained its determination letter, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes was provided in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate uncertain tax positions taken by the plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. 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 it is no longer subject to income tax examinations for years prior to 2008.

Note 9 - Plan Termination

Presently, the Company has no intention to terminate the Plan but it reserves the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event the Plan is terminated, participants will become fully vested in their accounts.

Note 10 - Subsequent Events

The Plan has evaluated subsequent events through October 8, 2012, the date which the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULE

HEADLANDS VENTURES, LLC
401(K) PROFIT SHARING PLAN AND TRUST
SCHEDULE H, LINE 4(i) – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2011
EMPLOYER INDENTIFICATION NUMBER: 94-3286388
PLAN NUMBER: 001

(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
Investments:		
American Century Investments Equity Income Fund Class R	Mutual fund	$ 43,423
California Investment Trust Nasdaq 100 Index Fund Class Direct	Mutual fund	52,913
California Investment Trust S&P Mid Cap Index Fund Class Direct	Mutual fund	76,705
Columbia Small Cap Index Fund Class Z	Mutual fund	180,608
Fidelity Institutional Short-Intermediate Government Fund	Mutual fund	9,244
Franklin Templeton Mutual European Fund Class A	Mutual fund	60,034
Legg Mason Western Asset Mortgage Backed Securities Fund Class I	Mutual fund	52,122
Schwab S&P 500 Index Fund	Mutual fund	126,165
T. Rowe Prince Retirement 2020 Fund Class R	Mutual fund	208,035
T. Rowe Prince Retirement 2025 Fund Class R	Mutual fund	656
T. Rowe Prince Retirement 2030 Fund Class R	Mutual fund	8,753
T. Rowe Prince Retirement 2035 Fund Class R	Mutual fund	56
T. Rowe Prince Retirement 2040 Fund Class R	Mutual fund	42,365
BlackRock U.S. Treasury Money Market Portfolio Investor A Shares	Money market account	2,806
		863,885
Loans:		
Notes receivable from participants	12-month to 120-month maturity at 4.25% to 6.25%	29,985
		$893,870

HEADLANDS VENTURES, LLC
401(K) PROFIT SHARING PLAN AND TRUST
FINANCIAL REPORT
YEARS ENDED DECEMBER 31, 2011 and 2010

HEADLANDS VENTURES, LLC
401(K) PROFIT SHARING PLAN AND TRUST
FINANCIAL REPORT
YEARS ENDED DECEMBER 31, 2011 and 2010

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CHEKTAN
AND COMPANY
A CERTIFIED PUBLIC ACCOUNTING FIRM

INDEPENDENT AUDITOR'S REPORT

To the Administrative Committee of
the Headlands Ventures, LLC
401(k) Profit Sharing Plan and Trust

I have audited the accompanying statements of net assets available for benefits of Headlands Ventures, LLC 401(k) Profit Sharing Plan and Trust (the 'Plan') as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. These financial statements are the responsibility of the Plan's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit 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. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the year ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

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My 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) referred to as "supplemental information", is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary 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 basic 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 auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Gilbert Tam and Company

San Francisco, California
October 8, 2012

HEADLANDS VENTURES, LLC
401(K) PROFIT SHARING PLAN AND TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 and 2010

ASSETS

	2011	2010
Investments, at fair value:		
Money market funds	$ 2,806	$ 1,283
Mutual funds	861,079	791,677
	863,885	792,960
Receivables:		
Employer contributions	127	45,962
Notes receivable from participants	29,985	28,111
	30,112	74,073
Net assets available for benefits	$893,997	$867,033

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

HEADLANDS VENTURES, LLC
401(K) PROFIT SHARING PLAN AND TRUST
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2011

	2011
Additions:	
Additions to net assets attributed to	
Investment income/(loss):	
Net depreciation in fair market value of investments in mutual funds	$(27,220)
Interest and dividends	27,159
Total investment income/(loss)	(61)
Interest income on notes receivable from participants	1,428
Contributions:	
Participants	92,901
Employer	38,719
Total contributions	131,620
Total additions	132,987
Deductions:	
Deductions from net assets attributed to	
Benefits paid to participants	105,878
Administrative fee and expenses	145
Total deductions	106,023
Net increase	26,964
Net assets available for benefits, beginning of year	867,033
Net assets available for benefits, end of year	$ 893,997

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

Note 1 - Description of Plan

The following description of the Headlands Ventures, LLC ('Company') 401(k) Profit Sharing Plan and Trust ('Plan') provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

a. General

The Plan is a defined contribution plan and was established on July 1, 1999 for the benefit of all eligible employees of the Company. Employees can enroll into the Plan after completion of three consecutive months of service. Generally, the Plan covers all employees of the Company who are at age 21 or older, except for employees who are:

- included in a unit of employees covered by the terms of a collective bargaining agreement; or
- non-resident aliens who received no earned income from the Company; or
- employees as a result of an asset or stock acquisition, merger, or similar transaction.

It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

b. Participants' contributions

Participants may contribute up to $16,500 of the pre-tax annual compensation for the year ended December 31, 2011. Participants who have attained age 50 before the end of plan year are eligible to make additional catch up contribution with an amount up to $5,500 for the year ended December 31, 2011. Participants may also contribute amounts representing distribution from other qualified defined benefit or contribution plans.

c. Employer's contributions

Each plan year, the Company may contribute, as determined by the Board of Directors, to the Plan based on the total compensation of all the participants eligible to receive an allocation. The Company may, at its discretion, make qualified non-elective contributions to participants who are not highly compensated employees. The Company may also make profit sharing contributions to all qualified participants at its discretion. Both qualified non-elective and profit sharing contributions will be allocated to the participants according to the ratio that the participant's compensation for the plan year bears

Note 1 - Description of Plan (continued)

c. Employer's contributions (continued)

to the total compensation of all participants for such plan year. For the year ended December 31, 2011, no employer's qualified non-elective and profit sharing contributions was made.

d. Participant accounts

Each participant's account is credited with the participant's and employer's contributions, and allocations of gains or losses from investments. The allocations are based on terms 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

Participants are immediately and fully vested in their contributions and gains or losses thereon allocated to their accounts. Participants vest in the employer's discretionary contributions according to the following schedule:

Years of Employment	Vested Percentages
1	25%
2	50%
3	75%
4	100%

Participants will be fully vested with the employer's discretionary contributions in the event of death, disability, attainment of normal retirement age or complete or partial termination of the Plan. Forfeitures are allocated to the qualified participants in the ratio that the participant's compensation for the plan year bears to the total compensation of all participants for such plan year. For the year ended December 31, 2011, no forfeitures were allocated to the participants' accounts.

f. Investment options

Participants can direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers thirteen pre-selected mutual funds and a money market fund as investment options for the participants. Participants may change their investment options and allocations at any time.

Note 1 - Description of Plan (continued)

g. Rollovers

With the approval of the plan administrator, the Plan may receive any amounts received by an employee as distribution from another qualified plan provided that the receipt of such amounts does not adversely affect the qualified tax status of the Plan. Participants are fully vested in these amounts.

h. Notes receivable from participants

All participants with a vested balance of at least $2,000, except stockholders who own 5% or more stock of the Company, may borrow from their accounts. Loan fees and interest due are paid by the participant. Each participant may have only one loan outstanding at any given time. The minimum loan amount is $1,000, but not exceeding the lesser of:

- one-half of the participant's vested account balance; or
- $50,000 (reduced by the highest outstanding loan balance during the one year period ending on the day the loan agreement is executed).

The maximum repayment period is generally 4½ years for a general purpose loan. If the loan is obtained for the purpose of purchasing a primary residence, the maximum repayment period is 10 years. The loan will bear interest at a fixed rate of 1% above the prime rate as published on the first business day of the month. Principal and interest are paid ratably through payroll deductions on a per pay period basis. Borrower may prepay all or a portion of the outstanding loan without penalty. All loans are secured by 50% of the participant's vested account balance.

i. Payment of benefits

Upon separation from employment due to termination of employment, death, disability, retirement or attainment of the age of 59½, the participant has three options concerning the account balance when a distribution is made:

- The participant may elect to roll the vested account balance to another qualified retirement plan or to an individual retirement account;
- The participant may elect to have the vested account balance distributed and income taxes will be withheld accordingly; or
- If the account balance is greater than $5,000, the participant can leave the vested account balance in the Plan until the participant authorizes a distribution.

Note 1 - Description of Plan (continued)

i. Payment of benefits (continued)

The Plan allows participants to take an in-service withdrawal even if they are actively employed with the Company upon attainment of the age of 59½, employer profit sharing and contributions may be withdrawn from the account.

The Plan does not allow for hardship withdrawals.

j. Administration and costs of plan administration

The Company and the Plan trustee are responsible for administering the Plan.

The Company absorbs all costs of Plan administration. Accordingly, such expenses are not reported in the Plan's statement of changes in net assets available for benefits.

Note 2 - Summary of Significant Accounting Policies

a. Basis of accounting and use of accounting estimates

The Plan maintains its accounting records on the accrual method of accounting.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

b. Recent Accounting Pronouncements

In January 2010, the FASB issued Accounting Standards Update ("ASU") 2010-16, "Improving Disclosures about Fair Value Measurements." This update requires a number of new disclosures including disclosure of significant transfers in or out of Level 1 and Level 2 and the reasons for such transfers, an entity's policy for determining when transfers between levels are recognized, the valuation techniques and inputs used in determining the fair value of assets or liabilities classified as Level 2 or Level 3 and requires the changes in Level 3 fair value measurements to be disclosed separately rather than net. In addition, this update seeks to improve transparency by requiring fair value measurement disclosures for each class of assets and liabilities. This pronouncement is effective for reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlement in the roll forward of activity in Level 3 fair value measurements which are effective for fiscal years beginning after December 15, 2010. The Plan adopted this

Note 2 – Summary of Significant Accounting Policies (continued)

b. Recent Accounting Pronouncements (continued)

this pronouncement in its the entirety effective beginning on January 1, 2010. The adoption of this pronouncement did not have a material impact on the Plan's financial statements.

In September 2010, the FASB issued ASU 2010-25, "Reporting Loans to Participants by Defined Contribution Pension Plans." ASU 2010-25 was issued to clarify how loans to participants should be classified and measured by defined contribution plans. ASU 2010-25 requires that participant loans be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. This pronouncement is effective for fiscal years ending after December 15, 2010 and shall be applied retrospectively. The Plan adopted this pronouncement on a retrospective basis effective beginning on January 1, 2010. The Plan has reclassified amounts previously reported to conform to the current presentation. The adoption of this pronouncement did not have a material impact on the Plan's financial statements.

In May 2011, the FASB issued ASU No. 2011-04, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards." ASU 2011-04 was issued to provide a consistent definition of fair value and ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and International Financial Reporting Standards. ASU 2011-04 changes certain fair value measurement principles and enhances the disclosure requirements particularly for Level 3 fair value measurements. This pronouncement is effective for reporting periods beginning on or after December 15, 2011, with early adoption prohibited. The new guidance will require prospective application. The Plan is currently evaluating the effect that the provisions of this pronouncement will have on its financial statements.

c. Investment valuation and income recognition

Investments in mutual funds are stated at fair market value. Shares of mutual funds are valued at quoted market prices, which represent the net asset of value of shares held by the Plan at the end of the plan year. Purchases and sales of securities are recorded on a trade-date basis. Participant loans are valued at amortized cost, which represents fair value. Interest income is recorded when earned. Dividends are recorded on the ex-dividend date. The Plan presents in the Statement of Changes in Net Assets Available for Benefits the net appreciation (depreciation) in the fair value of investments, which consists of realized gain or losses and unrealized appreciation (depreciation) on those investments.

Note 2 - Summary of Significant Accounting Policies (continued)

d. Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

e. Net appreciation (depreciation) in fair value of investments

Realized and unrealized appreciation (depreciation) in the fair value of investments is based on the difference between the fair value of the assets at the beginning of the year, or at the time of purchase for assets purchased during the year, and the related fair value on the day investments are sold with respect to realized appreciation (depreciation), or on the last day of the year for unrealized appreciation (depreciation).

Realized and unrealized appreciation (depreciation) is recorded in the accompanying Statement of Changes in Net Assets Available for Benefits as net appreciation (depreciation) in fair value of investments.

f. Risks and uncertainties

The Plan provides various funds that hold investment securities. Investment securities are exposed to various risks such as interest rate, market volatility, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risk in the near term would materially affect participants' account balances and the amounts reported in the financial statements.

g. Participant distributions

Benefits paid to participants are recorded when paid.

Note 3 - Investments

Individual investments that represent 5% or more of the fair value of net assets available for benefits at the end of the plan year are as follows for the years ended December 31, 2011 and 2010:

	2011	2010
Investments at fair value as determined by quoted market prices:		
California Investment Trust Nasdaq 100 Index fund Class Direct	$ 52,913	$ 59,849
California Investment Trust S&P Mid Cap Index Fund Class Direct	76,705	80,372
Columbia Small Cap Index Fund Class Z	180,608	186,849
Franklin Templeton Mutual European Fund Class A	60,034	67,129
Legg Mason Western Asset Mortgage Backed Securities Fund Class I	52,122	52,308
Schwab S&P 500 Index Fund	126,165	109,907
T. Rowe Price Retirement 2020 Fund Class R	208,035	175,126

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

Mutual funds	$(27,220)
Net depreciation in fair value of investments	(27,220)
Interest and dividend income	27,159
Total investment income/(loss)	$(61)

Note 4 - Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, "Fair Value Measurements" (Formerly SFAS No. 157) 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 lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC Topic 820 are described as follows:

Note 4 – Fair Value Measurements (continued)

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Quotes prices in markets that are not considered to be active or financial instruments for which all the significant inputs are observable, either directly, or indirectly.

Level 3: Prices or valuations which require inputs that are significant both to the fair value measurement and unobservable.

The following table lists the fair value of investment assets as of December 31, 2011:

	Level 1	Level 2	Level 3	Total
Money market funds	$ 2,806	$0	$0	$ 2,806
Mutual funds	861,079	0	0	861,079
Total investments measured at fair value	$863,885	$0	$0	$863,885

The following table lists the fair value of investment assets as of December 31, 2010:

	Level 1	Level 2	Level 3	Total
Money market funds	$ 1,283	$0	$0	$ 1,283
Mutual funds	791,677	0	0	791,677
Total investments at fair value	$792,960	$0	$0	$792,960

The Plan's investments that are measured at fair value on a recurring basis, such as mutual funds and cash and cash equivalents are generally classified within Level 1 of the fair value hierarchy. The fair values of these investments are based on quoted market prices in active markets.

Note 5 - Notes Receivable from Participants

The Plan permits its participants to obtain loans against their account balances. Loans to participants are collateralized by the respective participant's remaining account balance. The loans bear interest rates ranging from 4.25% to 6.25% and to loans require bi-weekly payments of $91 to $265, depending on the respective loan amounts and terms. The value of notes receivable was measured at their unpaid balances plus any accrued but unpaid interest. As of December 31, 2011 and 2010, total loans outstanding were $29,985 and $28,111, respectively. During the year ended December 31, 2011, interest earned on such loans was $1,428.

Note 6 - Reconciliation of Financial Statements to Schedule H of Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2011 and 2010 to Form 5500:

	2011	2010
Net assets available for benefits per financial statements	$ 893,997	$ 867,033
Employer contributions receivable	(127)	(45,962)
Net assets available for benefits per Schedule H of Form 5500	$ 893,870	$ 821,071

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

Net increase in net assets available for benefits per the financial statements	$ 26,964
Employer contributions receivable as of 12/31/2010	45,962
Employer contribution receivable as of 12/31/2011	(127)
Net increase in net assets available for benefits per Form 5500	$ 72,799

Note 7 - Party-in-Interest Transactions

The Plan has outstanding notes receivable from participants that are classified as party-in-interest transactions as defined in Section 3(14) of ERISA which are secured by the balances in the participants' accounts.

Note 8 - Income Tax Status

The Plan had obtained its determination letter, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes was provided in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate uncertain tax positions taken by the plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. 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 it is no longer subject to income tax examinations for years prior to 2008.

Note 9 - Plan Termination

Presently, the Company has no intention to terminate the Plan but it reserves the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event the Plan is terminated, participants will become fully vested in their accounts.

Note 10 - Subsequent Events

The Plan has evaluated subsequent events through October 8, 2012, the date which the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULE

HEADLANDS VENTURES, LLC
401(K) PROFIT SHARING PLAN AND TRUST
SCHEDULE H, LINE 4(i) – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2011
EMPLOYER INDENTIFICATION NUMBER: 94-3286388
PLAN NUMBER: 001

(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
Investments:		
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BlackRock U.S. Treasury Money Market Portfolio Investor A Shares	Money market account	2,806
		863,885
Loans:		
Notes receivable from participants	12-month to 120-month maturity at 4.25% to 6.25%	29,985
		$893,870