# 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
MEI TECHNOLOGIES, INC. 401K PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 09/16/1993

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

MEI TECHNOLOGIES, INC.

18050 SATURN LANE, SUITE 300
HOUSTON, TX 77058

18050 SATURN LANE, SUITE 300
HOUSTON, TX 77058

**2b** Employer Identification Number (EIN)
76-0359573

**2c** Sponsor's telephone number
281-823-6154

**2d** Business code (see instructions)
541330

**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 | KAREN TODD |
| | **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")
MEI TECHNOLOGIES, INC.

18050 SATURN LANE, SUITE 300
HOUSTON, TX 77058

**3b** Administrator's EIN
76-0359573

**3c** Administrator's telephone number
281-823-6154

**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** | 981 |
| **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** | 746 |
| **b** | Retired or separated participants receiving benefits | **6b** | 8 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 202 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 956 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 4 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 960 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 837 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 38 |
| **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 2S 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<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2011**<br>**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
MEI TECHNOLOGIES, INC. 401K PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
MEI TECHNOLOGIES, INC.

**D** Employer Identification Number (EIN)
76-0359573

## 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

FID.INV.INST.OPS.CO.

04-2647786

**(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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 64 65 37 60 | RECORDKEEPER | 21430 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] 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 |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(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. |
|---|---|
| ALLNZ NFJ DIV VAL AD - BOSTON FINAN<br><br>04-2526037 | 0.35% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(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. |
|---|---|
| KEELEY SMALL CAP VAL - US BANCORP F<br><br>39-0281260 | 0.40% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(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. |
|---|---|
| PIMCO TOT RETURN ADM - BOSTON FINAN<br><br>04-2526037 | 0.26% |

## 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 |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(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. |
|---|---|
| VICTORY DIVERS STK A - CITI FUND SE<br><br>31-1249295 | 0.35% |

| **(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: NULL LARISON | **b** EIN: 76-0551362 | |
| **c** Position: ACCOUNTANT | | |
| **d** Address: 3411 RICHMOND AVE, STE 500<br>HOUSTON, TX 77046 | **e** Telephone: 713-631-1515 | |

Explanation: NULL LARISON BOUGHT BY WHITLEY PENN, LLP

| | | |
|---|---|---|
| **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
MEI TECHNOLOGIES, INC. 401K PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
MEI TECHNOLOGIES, INC.

**D** Employer Identification Number (EIN)
76-0359573

## 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) | | |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | | |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 2609508 | 3080468 |
| **(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) | 580612 | 743929 |
| **(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) | 28472377 | 30424957 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **1d** Employer-related investments: | | | |
| **(1)** Employer securities | 1d(1) | | |
| **(2)** Employer real property | 1d(2) | | |
| **e** Buildings and other property used in plan operation | 1e | | |
| **f** Total assets (add all amounts in lines 1a through 1e) | 1f | 31662497 | 34249354 |
| **Liabilities** | | | |
| **g** Benefit claims payable | 1g | | |
| **h** Operating payables | 1h | | |
| **i** Acquisition indebtedness | 1i | | |
| **j** Other liabilities | 1j | | |
| **k** Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| **Net Assets** | | | |
| **l** Net assets (subtract line 1k from line 1f) | 1l | 31662497 | 34249354 |

## 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) | 1571127 | |
| **(B)** Participants | 2a(1)(B) | 5090657 | |
| **(C)** Others (including rollovers) | 2a(1)(C) | 557106 | |
| **(2)** Noncash contributions | 2a(2) | | |
| **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 7218890 |
| **b Earnings on investments:** | | | |
| **(1)** Interest: | | | |
| **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 1088 | |
| **(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) | 34417 | |
| **(F)** Other | 2b(1)(F) | | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 35505 |
| **(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) | 760075 | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 760075 |
| **(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) | | |
| (B) Other | 2b(5)(B) | | |
| (C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B) | 2b(5)(C) | | |
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | -2081173 |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 5933297 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 3323559 | |
| (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) | | 3323559 |
| f Corrective distributions (see instructions) | 2f | | |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | 22881 | |
| (5) Total administrative expenses. Add lines 2i(1) through (4) | 2i(5) | | 22881 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 3346440 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line 2j from line 2d | 2k | | 2586857 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

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

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

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

(1) Name: WHITLEY PENN, LLP (2) EIN: 75-2393478

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 | | 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** | | 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
MEI TECHNOLOGIES, INC. 401K PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
MEI TECHNOLOGIES, INC.

**D** Employer Identification Number (EIN)
76-0359573

## 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): 04-6568107

**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):

# MEI TECHNOLOGIES, INC.
# 401(k) PLAN

## FINANCIAL STATEMENTS
## AND SUPPLEMENTAL SCHEDULE

**Years Ended December 31, 2011 and 2010**
**with Report of Independent Auditors**

# MEI TECHNOLOGIES, INC.
# 401(k) PLAN

## FINANCIAL STATEMENTS
## AND SUPPLEMENTAL SCHEDULE

**Years Ended December 31, 2011 and 2010**

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**NOTE:** All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted since they are either not applicable or the information required therein has been included in the financial statements or notes thereto.

whitleypenn

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3411 Richmond Avenue
Suite 500
Houston, Texas 77046
713.621.1515 Main

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# REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Plan Administrator
MEI Technologies, Inc. 401(k) Plan

We were engaged to audit the financial statements and supplemental schedule of MEI Technologies, Inc. 401(k) Plan as of December 31, 2011, and for the year then ended, as listed in the accompanying index. These financial statements and supplemental schedule are the responsibility of the Plan's management. The financial statements of the Plan as of and for the year ended December 31, 2010, were audited by other auditors. 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 the other auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by Fidelity Management Trust Company, the trustee of the Plan. Their report, dated October 11, 2011, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not, express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

As 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 investment information which was certified by Fidelity Management Trust Company, the Trustee of the Plan, except for comparing the investment information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee as of December 31, 2011 and 2010, and for the years then ended, that the information provided to the Plan Administrator by the Trustee 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 schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is 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 schedule, other than that derived from the information certified by the Trustee, has been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, is 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.

Whitley Penn LLP
Houston, Texas
October 12, 2011

## MEI TECHNOLOGIES, INC. 401(k) PLAN

## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

| | December 31, 2011 | December 31, 2010 |
|---|---|---|
| **Assets** | | |
| Investments, at fair value: | | |
| Shares of registered investment companies: | | |
| Mutual funds | $ 30,424,957 | $ 28,472,377 |
| Interest bearing cash | 3,080,468 | 2,609,508 |
| Total investments at fair value | 33,505,425 | 31,081,885 |
| | | |
| Receivables: | | |
| Employer | 85,978 | 90,137 |
| Participants | 58,326 | 59,283 |
| Notes receivable from participants | 743,929 | 580,612 |
| Total receivables | 888,233 | 730,032 |
| | | |
| Total assets | 34,393,658 | 31,811,917 |
| Net Assets Available for Benefits | $ 34,393,658 | $ 31,811,917 |

See accompanying notes to financial statements.

## MEI TECHNOLOGIES, INC. 401(k) PLAN

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

| | Year ended December 31, 2011 | 2010 |
|---|---|---|
| **Additions to Net Assets** | | |
| Investment income (loss): | | |
| Dividends earned on investments | $ 760,075 | 608,892 |
| Interest earned on investments | 1,088 | 576 |
| Net realized and unrealized gain (loss) on mutual funds | (2,081,173) | 3,134,818 |
| Total investment income (loss) | (1,320,010) | 3,744,286 |
| Interest income on notes receivable from participants | 34,417 | 28,746 |
| Contributions: | | |
| Participant | 5,089,700 | $ 5,003,139 |
| Employer | 1,566,968 | 1,562,029 |
| Rollovers | 557,106 | 819,766 |
| Total contributions | 7,213,774 | 7,384,934 |
| Total additions to net assets | 5,928,181 | 11,157,966 |
| **Deductions from Net Assets** | | |
| Benefits paid to participants | 3,323,559 | 2,794,434 |
| Administrative expenses | 22,881 | 20,593 |
| Total deductions from net assets | 3,346,440 | 2,815,027 |
| Increase in net assets available for benefits | 2,581,741 | 8,342,939 |
| Net assets available for benefits, beginning of year | 31,811,917 | 23,468,978 |
| Net assets available for benefits, end of the year | $ 34,393,658 | $ 31,811,917 |

See accompanying notes to financial statements.

## A. Description of the Plan

### General

The following description of the MEI Technologies, Inc. 401(k) Plan (the "Plan") is provided for general information purposes only. The Plan is sponsored by MEI Technologies, Inc. ("MEIT" or the "Company"). Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions. The Company's corporate offices are located in Houston, Texas.

The Plan was effective September 16, 1993, restated April 20, 2010, and is a defined contribution plan covering all employees of the Company, except nonresident aliens, who are 18 years of age. The Plan was most recently amended effective February 15, 2012, to allow for Roth 401(k) contributions. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

### Contributions

Each year, participants may contribute up to 90% of their pretax annual compensation, as defined by the Plan. Contributions are subject to limitations on annual additions and other limitations imposed by the Internal Revenue Code (the "Code") as defined in the Plan Agreement. Participants may also contribute amounts representing distributions from other qualified plans, except for rollovers of after-tax employee contributions or designated Roth contributions.

Participants who are eligible to make salary deferral contributions under the Plan and who have attained age 50 before the close of the Plan year may make catch-up contributions in accordance with and subject to the limitations imposed by the Code.

The Company matches 50% of a participant's contributions up to 6% of the participant's compensation per pay period, except for those employees covered under the White Sands Facility Contract. The Company may elect to contribute additional amounts as determined by its Board of Directors. The Company made no such election for the year ended December 31, 2011. The Company matches participant contributions for those employees covered under the White Sands Facility Contract as follows:

| Participant Contributions (as a % of eligible compensation) | Employer Match (as a % of eligible compensation) |
|---|---|
| 1% | 1% |
| 2% | 1.5% |
| 3% | 2% |
| 4% | 2.5% |
| 5% | 3% |
| 6% | 3.5% |
| 7% and greater | 4% |

## A. Description of the Plan - continued

### Participant Accounts

Each participant's account is credited with the participant's contributions as well as the allocations of the Company's contributions and Plan earnings and charged with an allocation of administrative expenses. Allocations are based on participant compensation or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

### Vesting

Participants are 100% vested in the balance resulting from their participant contributions. Vesting in the Company's contribution portion of their accounts, plus earnings thereon, is based on years of service. A participant is fully vested after one year of service. The non-vested balance is forfeited upon termination of service.

### Notes Receivable from Participants

Participants may borrow from their accounts a minimum of $1,000 and up to a maximum equal to the lesser of (1) $50,000 reduced by the excess (if any) of the highest outstanding balance of Plan loans to the participant during the one-year period ending on the day before the day the loan is made over the outstanding balance of Plan loans on the date the loan is made or (2) 50% of their vested account balance.

Participants may not have more than one loan outstanding at any time. The loans bear interest at a reasonable rate of interest as determined by the Plan Administrator. Repayment terms for loans are not to exceed five years, except for loans used to buy a principal residence.

### Payment of Benefits

Distributions to participants are payable through lump sum payments. Payments can be made to participants or their beneficiaries upon termination of employment, retirement, disability, or death. Employee elective deferral contributions may be withdrawn during employment after the employee reaches age 59½ or upon showing immediate and substantial financial hardship. Normal retirement age is 65.

Terminated participants who have not attained the age of 65, who do not elect to receive a lump-sum distribution and whose account balance exceeds $5,000 must consent to a distribution before it can be made. Terminated participants with account balances between $1,000 and $5,000 will receive their distribution via a direct rollover to an individual retirement plan designated by the Plan Administrator. If the participant's account balance is less than $1,000, the distribution will be paid in a lump-sum, unless elected otherwise by the Participant.

### Disposition of Forfeitures

Forfeitures are retained in the Plan and may first be used to pay administrative expenses. Any remaining amounts will be used to reduce future employer contributions payable under the Plan. Unallocated plan forfeitures available for use in accordance with Plan provisions totaled $12,632 and $24,739 as of December 31, 2011 and 2010, respectively. During 2011, the Company used $35,568 in forfeitures to reduce employer contributions.

## A. Description of the Plan - continued

### Investment Options

Participants may direct the investment of their accounts into their choice of various registered investment companies and money market accounts.

### Plan Expenses

Administrative expenses may be paid by the Company or the Plan at the Company's discretion. The Company paid administrative expenses of the Plan during 2011, except for a portion of the recordkeeping fees, loan fees and distribution fees paid by participants.

## B. Summary of Significant Accounting Policies

### Basis of Accounting

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

### Use of Estimates

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

### Contributions

Contributions from the Company and participants are accrued as they become obligations of the Company, as determined by the Plan Administrator, and in the period in which they are deducted, in accordance with salary deferral agreements.

### Investment Valuation and Income Recognition

The investments of the Plan are stated at fair value as of the end of the year and are subject to market or credit risks customarily associated with equity investments. Fair value measurements are determined in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic No. 820, *Fair Value Measurement*, which defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about assets and liabilities measured at fair value. See Note H for information related to the Plan's valuation methodologies under FASB ASC Topic No. 820.

Investment gains and losses are accounted for using the average cost basis of the securities sold. The net realized and unrealized gains and losses on investments include realized gains and losses on sales of investments during the year and unrealized increases or decreases in the market value of investments held at year end. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

## B. Summary of Significant Accounting Policies - continued

### Notes Receivable from Participants

Notes receivable from participant loans are recorded at the unpaid principal balance plus accrued interest.

### Payment of Benefits

Benefits are recorded when paid.

### Recently Issued Accounting Pronouncements

In May 2011, the FASB issued Accounting Standards Update ("ASU") 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs.* ASU 2011-04 amended FASB ASC Topic No. 820, to converge the fair value measurement guidance in U.S. generally accepted accounting principles and International Financial Reporting Standards. Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in FASB ASC Topic No. 820. In addition, ASU 2011-04 requires additional fair value disclosures, although certain of these new disclosures will not be required for nonpublic entities like MEIT. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management is currently evaluating the effect that the provisions of ASU 2011-04 will have on the Plan's financial statements.

### Reclassifications

Certain prior year amounts have been reclassified to conform to the current-year presentation.

## C. Investments

Investments that represent 5% or more of net assets available for benefits at December 31 are as follows: follows:

| | 2011 | 2010 |
|---|---|---|
| **Investments at Fair Value** | | |
| Registered Investment Companies: | | |
| Fidelity Independence | $ 3,199,064 | $ 3,585,164 |
| Fidelity Government Income | 3,020,594 | 2,583,332 |
| Spartan Extended Market Index | 2,837,364 | 2,847,859 |
| Fidelity International Discovery | 2,497,064 | 2,819,863 |
| Keeley Small Cap Value | 2,452,260 | 2,448,341 |
| Fidelity Balanced | 2,062,581 | 2,018,318 |
| Spartan 500 Index | 1,811,423 | 1,444,367 |
| Money Market Fund: | | |
| Fidelity Retirement Money Market | 3,080,468 | 2,609,508 |

**D. Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan to suspend or discontinue contributions at any time or terminate the Plan, subject to the provisions of ERISA. In the event of complete or partial Plan termination, participants will become 100% vested in their accounts.

**E. Tax Status**

The Internal Revenue Service notified the prototype plan submitter by a letter dated March 31, 2008, that the prototype plan is designed to be in accordance with applicable sections of the Internal Revenue Code (IRC) and, therefore, the Plan is tax-exempt. The letter also states that an employer who adopts the prototype plan may rely on the letter in respect to qualification of its plan under IRC section 401(a). The Company has not requested an individual determination letter on the Plan.

The Plan has been amended since adopting the prototype plan. However, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America 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 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 the Plan is no longer subject to income tax examination for years prior to 2008.

**F. 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 value of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of net assets available for benefits.

**G. Related Party and Party-In-Interest Transactions**

The Plan invests in shares of mutual funds managed by Fidelity Management Trust Company. Transactions in such investments qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules.

**H. Fair Value Measurements**

FASB ASC Topic No. 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a three-tier hierarchy that is used to identify assets and liabilities measured at fair value. The hierarchy focuses on the inputs used to measure fair value and requires that the lowest level input be used. The three levels defined in FASB ASC Topic No. 820 are as follows:

- Level 1 — observable inputs that are based upon quoted market prices for identical assets or liabilities within active markets.

- Level 2 — observable inputs other than Level 1 that are based upon quoted market prices for similar assets or liabilities, based upon quoted prices within inactive markets, or inputs other than quoted market prices that are observable through market data for substantially the full term of the asset or liability.

- Level 3 — inputs that are unobservable for the particular asset or liability due to little or no market activity and are significant to the fair value of the asset or liability. These inputs reflect assumptions that market participants would use when valuing the particular asset or liability.

FASB ASC Topic No. 820 requires that management describe the methodologies used to measure the fair value of assets and liabilities. The methodology used to measure each major category of assets and liabilities is described below. There have been no changes in the methodologies used at December 31, 2011 and 2010.

*Registered Investment Companies*: State at fair value based on quoted market prices.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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.

**H. Fair Value Measurements - continued**

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value. The Plan held only Level 1 investments as of December 31, 2011 and 2010.

| | December 31, 2011 | December 31, 2010 |
|---|---|---|
| Registered Investment Companies | | |
| Balanced Hybrid | $ 2,082,698 | $ 2,034,191 |
| Diversified Bonds | 686,584 | 529,153 |
| Emerging Markets | 636,165 | 905,103 |
| Government Bonds | 3,624,546 | 2,860,189 |
| High Yield Bond | 1,145,841 | 865,793 |
| International/Global Equity | 2,587,938 | 2,909,606 |
| Large Blend | 2,560,489 | 2,248,915 |
| Large Growth | 3,199,064 | 3,585,164 |
| Large Value | 1,366,747 | 1,284,970 |
| LifeCycle Fund | 6,639,745 | 5,575,739 |
| Mid Blend | 2,837,364 | 2,847,859 |
| Small Blend | 2,452,260 | 2,448,341 |
| Specialty | 605,516 | 377,354 |
| Money Market Fund | 3,080,468 | 2,609,508 |
| Total Assets at Fair Value | $ 33,505,425 | $ 31,081,885 |

These items are classified in their entirety based on the lowest priority level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement of assets and liabilities within the levels of the fair value hierarchy.

**I. Reconciliation to Form 5500**

The following is a reconciliation of net assets available for benefits per the financial statements to the Plan's Form 5500 as of December 31:

| | 2011 | 2010 |
|---|---|---|
| Net assets available for benefits per financial statements | $ 34,393,658 | $ 31,811,917 |
| Less: Employer contribution receivable | (85,978) | (90,137) |
| Less: Participant contribution receivable | (58,326) | (59,283) |
| Net assets available for benefits per Form 5500 | $ 34,249,354 | $ 31,662,497 |

**I. Reconciliation to Form 5500 - continued**

The following is a reconciliation of the increase in net assets available for benefits per the financial statements to the Plan's Form 5500 for the year ended December 31:

| | 2011 | 2010 |
|---|---|---|
| Increase in net assets available for benefits per financial statements | $ 2,581,741 | $ 8,342,939 |
| Less: Employer contribution receivable current year | (85,978) | (90,137) |
| Less: Participant contribution receivable current year | (58,326) | (59,283) |
| Add: Employer contribution receivable prior year | 90,137 | 75,947 |
| Add: Participant contribution receivable prior year | 59,283 | 60,256 |
| Less: Excess contributions payable prior year | - | (56,348) |
| Increase in net assets available for benefits per Form 5500 | $ 2,586,857 | $ 8,273,374 |

**J. Information Certified by the Trustee**

The Plan Administrator elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan Administrator limited auditing procedures with respect to the investment information certified by Fidelity Management Trust Company, the trustee, which included total investments as of December 31, 2011 and 2010, the total investment loss for the year ended December 31, 2011, and all information included in the supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year).

**K. Subsequent Events**

In preparing the accompanying financial statements, management of the Company has evaluated all subsequent events and transactions for potential recognition or disclosure through October 12, 2012, the date the financial statements were available for issuance.

# SUPPLEMENTAL SCHEDULE

**MEI TECHNOLOGIES, INC. 401(k) PLAN**

**FORM 5500, SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**December 31, 2011**

**EIN: 76-0359573**
**Plan #: 001**

| (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 |
|---|---|---|---|---|
| | Registered Investment Companies: | | | |
| * | Fidelity Investments | Fidelity Independence | ** | $ 3,199,064 |
| * | Fidelity Investments | Fidelity Government Income | ** | 3,020,594 |
| * | Fidelity Investments | Spartan Extended Market Index | ** | 2,837,364 |
| * | Fidelity Investments | Fidelity International Discovery | ** | 2,497,064 |
| | Keeley | Keeley Small Cap Value | ** | 2,452,260 |
| * | Fidelity Investments | Fidelity Balanced | ** | 2,062,581 |
| * | Fidelity Investments | Spartan 500 Index | ** | 1,811,423 |
| * | Fidelity Investments | Fidelity Freedom 2030 | ** | 1,478,656 |
| | Allianz Funds | Allianz NFJ Dividend Value Admin | ** | 1,366,747 |
| * | Fidelity Investments | Fidelity Capital & Income | ** | 1,145,841 |
| * | Fidelity Investments | Fidelity Freedom 2040 | ** | 1,144,587 |
| * | Fidelity Investments | Fidelity Freedom 2020 | ** | 1,081,641 |
| | Victory | Victory Diversified Stock A | ** | 749,066 |
| | Pimco Funds | Pimco Total Return Admin | ** | 686,584 |
| * | Fidelity Investments | Fidelity Freedom 2015 | ** | 669,340 |
| * | Fidelity Investments | Fidelity Emerging Markets | ** | 636,165 |
| * | Fidelity Investments | Spartan Intermediate Trust Bond Index Fund | ** | 603,952 |
| * | Fidelity Investments | Fidelity Freedom 2025 | ** | 555,605 |
| * | Fidelity Investments | Fidelity Select Gold | ** | 533,607 |
| * | Fidelity Investments | Fidelity Freedom Income | ** | 491,172 |
| * | Fidelity Investments | Fidelity Freedom 2050 | ** | 365,138 |
| * | Fidelity Investments | Fidelity Freedom 2035 | ** | 248,400 |
| * | Fidelity Investments | Fidelity Freedom 2010 | ** | 233,166 |
| * | Fidelity Investments | Fidelity Freedom 2045 | ** | 217,826 |
| * | Fidelity Investments | Spartan International Index | ** | 90,874 |
| * | Fidelity Investments | Fidelity Freedom 2005 | ** | 89,696 |
| * | Fidelity Investments | Fidelity Select Environment and Alternative Energy | ** | 71,909 |
| * | Fidelity Investments | Fidelity Freedom 2000 | ** | 64,518 |
| * | Fidelity Investments | Fidelity Strategic Real Return | ** | 20,117 |
| | Total Registered Investment Companies | | | 30,424,957 |
| | Money Market Fund: | | | |
| * | Fidelity Investments | Fidelity Retirement Money Market | ** | 3,080,468 |
| * | Participant loans | Participant loans, interest rates from 5.00% - 9.25% (through 2017) | - | 743,929 |
| **Total** | | | | $ 34,249,354 |

* Represents a party-in-interest to the Plan as defined by ERISA.

** Cost omitted for participant-directed investments.

# MEI TECHNOLOGIES, INC.
# 401(k) PLAN

## FINANCIAL STATEMENTS
## AND SUPPLEMENTAL SCHEDULE

**Years Ended December 31, 2011 and 2010**
**with Report of Independent Auditors**

# MEI TECHNOLOGIES, INC.
# 401(k) PLAN

## FINANCIAL STATEMENTS
## AND SUPPLEMENTAL SCHEDULE

**Years Ended December 31, 2011 and 2010**

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Statements of Changes in Net Assets Available for Benefits.....3

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**NOTE:** All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted since they are either not applicable or the information required therein has been included in the financial statements or notes thereto.

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# REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Plan Administrator
MEI Technologies, Inc. 401(k) Plan

We were engaged to audit the financial statements and supplemental schedule of MEI Technologies, Inc. 401(k) Plan as of December 31, 2011, and for the year then ended, as listed in the accompanying index. These financial statements and supplemental schedule are the responsibility of the Plan's management. The financial statements of the Plan as of and for the year ended December 31, 2010, were audited by other auditors. 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 the other auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by Fidelity Management Trust Company, the trustee of the Plan. Their report, dated October 11, 2011, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not, express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

As 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 investment information which was certified by Fidelity Management Trust Company, the Trustee of the Plan, except for comparing the investment information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee as of December 31, 2011 and 2010, and for the years then ended, that the information provided to the Plan Administrator by the Trustee 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 schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is 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 schedule, other than that derived from the information certified by the Trustee, has been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, is 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.

Whitley Penn LLP
Houston, Texas
October 12, 2011

## MEI TECHNOLOGIES, INC. 401(k) PLAN

## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

| | December 31, 2011 | December 31, 2010 |
|---|---|---|
| **Assets** | | |
| Investments, at fair value: | | |
| Shares of registered investment companies: | | |
| Mutual funds | $ 30,424,957 | $ 28,472,377 |
| Interest bearing cash | 3,080,468 | 2,609,508 |
| Total investments at fair value | 33,505,425 | 31,081,885 |
| | | |
| Receivables: | | |
| Employer | 85,978 | 90,137 |
| Participants | 58,326 | 59,283 |
| Notes receivable from participants | 743,929 | 580,612 |
| Total receivables | 888,233 | 730,032 |
| | | |
| Total assets | 34,393,658 | 31,811,917 |
| Net Assets Available for Benefits | $ 34,393,658 | $ 31,811,917 |

See accompanying notes to financial statements.

## MEI TECHNOLOGIES, INC. 401(k) PLAN

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

| | Year ended December 31, 2011 | 2010 |
|---|---|---|
| **Additions to Net Assets** | | |
| Investment income (loss): | | |
| Dividends earned on investments | $ 760,075 | 608,892 |
| Interest earned on investments | 1,088 | 576 |
| Net realized and unrealized gain (loss) on mutual funds | (2,081,173) | 3,134,818 |
| Total investment income (loss) | (1,320,010) | 3,744,286 |
| Interest income on notes receivable from participants | 34,417 | 28,746 |
| Contributions: | | |
| Participant | 5,089,700 | $ 5,003,139 |
| Employer | 1,566,968 | 1,562,029 |
| Rollovers | 557,106 | 819,766 |
| Total contributions | 7,213,774 | 7,384,934 |
| Total additions to net assets | 5,928,181 | 11,157,966 |
| **Deductions from Net Assets** | | |
| Benefits paid to participants | 3,323,559 | 2,794,434 |
| Administrative expenses | 22,881 | 20,593 |
| Total deductions from net assets | 3,346,440 | 2,815,027 |
| Increase in net assets available for benefits | 2,581,741 | 8,342,939 |
| Net assets available for benefits, beginning of year | 31,811,917 | 23,468,978 |
| Net assets available for benefits, end of the year | $ 34,393,658 | $ 31,811,917 |

See accompanying notes to financial statements.

## A. Description of the Plan

### General

The following description of the MEI Technologies, Inc. 401(k) Plan (the "Plan") is provided for general information purposes only. The Plan is sponsored by MEI Technologies, Inc. ("MEIT" or the "Company"). Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions. The Company's corporate offices are located in Houston, Texas.

The Plan was effective September 16, 1993, restated April 20, 2010, and is a defined contribution plan covering all employees of the Company, except nonresident aliens, who are 18 years of age. The Plan was most recently amended effective February 15, 2012, to allow for Roth 401(k) contributions. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

### Contributions

Each year, participants may contribute up to 90% of their pretax annual compensation, as defined by the Plan. Contributions are subject to limitations on annual additions and other limitations imposed by the Internal Revenue Code (the "Code") as defined in the Plan Agreement. Participants may also contribute amounts representing distributions from other qualified plans, except for rollovers of after-tax employee contributions or designated Roth contributions.

Participants who are eligible to make salary deferral contributions under the Plan and who have attained age 50 before the close of the Plan year may make catch-up contributions in accordance with and subject to the limitations imposed by the Code.

The Company matches 50% of a participant's contributions up to 6% of the participant's compensation per pay period, except for those employees covered under the White Sands Facility Contract. The Company may elect to contribute additional amounts as determined by its Board of Directors. The Company made no such election for the year ended December 31, 2011. The Company matches participant contributions for those employees covered under the White Sands Facility Contract as follows:

| Participant Contributions (as a % of eligible compensation) | Employer Match (as a % of eligible compensation) |
|---|---|
| 1% | 1% |
| 2% | 1.5% |
| 3% | 2% |
| 4% | 2.5% |
| 5% | 3% |
| 6% | 3.5% |
| 7% and greater | 4% |

## A. Description of the Plan - continued

### Participant Accounts

Each participant's account is credited with the participant's contributions as well as the allocations of the Company's contributions and Plan earnings and charged with an allocation of administrative expenses. Allocations are based on participant compensation or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

### Vesting

Participants are 100% vested in the balance resulting from their participant contributions. Vesting in the Company's contribution portion of their accounts, plus earnings thereon, is based on years of service. A participant is fully vested after one year of service. The non-vested balance is forfeited upon termination of service.

### Notes Receivable from Participants

Participants may borrow from their accounts a minimum of $1,000 and up to a maximum equal to the lesser of (1) $50,000 reduced by the excess (if any) of the highest outstanding balance of Plan loans to the participant during the one-year period ending on the day before the day the loan is made over the outstanding balance of Plan loans on the date the loan is made or (2) 50% of their vested account balance.

Participants may not have more than one loan outstanding at any time. The loans bear interest at a reasonable rate of interest as determined by the Plan Administrator. Repayment terms for loans are not to exceed five years, except for loans used to buy a principal residence.

### Payment of Benefits

Distributions to participants are payable through lump sum payments. Payments can be made to participants or their beneficiaries upon termination of employment, retirement, disability, or death. Employee elective deferral contributions may be withdrawn during employment after the employee reaches age 59½ or upon showing immediate and substantial financial hardship. Normal retirement age is 65.

Terminated participants who have not attained the age of 65, who do not elect to receive a lump-sum distribution and whose account balance exceeds $5,000 must consent to a distribution before it can be made. Terminated participants with account balances between $1,000 and $5,000 will receive their distribution via a direct rollover to an individual retirement plan designated by the Plan Administrator. If the participant's account balance is less than $1,000, the distribution will be paid in a lump-sum, unless elected otherwise by the Participant.

### Disposition of Forfeitures

Forfeitures are retained in the Plan and may first be used to pay administrative expenses. Any remaining amounts will be used to reduce future employer contributions payable under the Plan. Unallocated plan forfeitures available for use in accordance with Plan provisions totaled $12,632 and $24,739 as of December 31, 2011 and 2010, respectively. During 2011, the Company used $35,568 in forfeitures to reduce employer contributions.

## A. Description of the Plan - continued

### Investment Options

Participants may direct the investment of their accounts into their choice of various registered investment companies and money market accounts.

### Plan Expenses

Administrative expenses may be paid by the Company or the Plan at the Company's discretion. The Company paid administrative expenses of the Plan during 2011, except for a portion of the recordkeeping fees, loan fees and distribution fees paid by participants.

## B. Summary of Significant Accounting Policies

### Basis of Accounting

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

### Use of Estimates

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

### Contributions

Contributions from the Company and participants are accrued as they become obligations of the Company, as determined by the Plan Administrator, and in the period in which they are deducted, in accordance with salary deferral agreements.

### Investment Valuation and Income Recognition

The investments of the Plan are stated at fair value as of the end of the year and are subject to market or credit risks customarily associated with equity investments. Fair value measurements are determined in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic No. 820, *Fair Value Measurement*, which defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about assets and liabilities measured at fair value. See Note H for information related to the Plan's valuation methodologies under FASB ASC Topic No. 820.

Investment gains and losses are accounted for using the average cost basis of the securities sold. The net realized and unrealized gains and losses on investments include realized gains and losses on sales of investments during the year and unrealized increases or decreases in the market value of investments held at year end. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

## B. Summary of Significant Accounting Policies - continued

### Notes Receivable from Participants

Notes receivable from participant loans are recorded at the unpaid principal balance plus accrued interest.

### Payment of Benefits

Benefits are recorded when paid.

### Recently Issued Accounting Pronouncements

In May 2011, the FASB issued Accounting Standards Update ("ASU") 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs.* ASU 2011-04 amended FASB ASC Topic No. 820, to converge the fair value measurement guidance in U.S. generally accepted accounting principles and International Financial Reporting Standards. Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in FASB ASC Topic No. 820. In addition, ASU 2011-04 requires additional fair value disclosures, although certain of these new disclosures will not be required for nonpublic entities like MEIT. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management is currently evaluating the effect that the provisions of ASU 2011-04 will have on the Plan's financial statements.

### Reclassifications

Certain prior year amounts have been reclassified to conform to the current-year presentation.

## C. Investments

Investments that represent 5% or more of net assets available for benefits at December 31 are as follows: follows:

| | 2011 | 2010 |
|---|---|---|
| **Investments at Fair Value** | | |
| Registered Investment Companies: | | |
| Fidelity Independence | $ 3,199,064 | $ 3,585,164 |
| Fidelity Government Income | 3,020,594 | 2,583,332 |
| Spartan Extended Market Index | 2,837,364 | 2,847,859 |
| Fidelity International Discovery | 2,497,064 | 2,819,863 |
| Keeley Small Cap Value | 2,452,260 | 2,448,341 |
| Fidelity Balanced | 2,062,581 | 2,018,318 |
| Spartan 500 Index | 1,811,423 | 1,444,367 |
| Money Market Fund: | | |
| Fidelity Retirement Money Market | 3,080,468 | 2,609,508 |

**D. Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan to suspend or discontinue contributions at any time or terminate the Plan, subject to the provisions of ERISA. In the event of complete or partial Plan termination, participants will become 100% vested in their accounts.

**E. Tax Status**

The Internal Revenue Service notified the prototype plan submitter by a letter dated March 31, 2008, that the prototype plan is designed to be in accordance with applicable sections of the Internal Revenue Code (IRC) and, therefore, the Plan is tax-exempt. The letter also states that an employer who adopts the prototype plan may rely on the letter in respect to qualification of its plan under IRC section 401(a). The Company has not requested an individual determination letter on the Plan.

The Plan has been amended since adopting the prototype plan. However, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America 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 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 the Plan is no longer subject to income tax examination for years prior to 2008.

**F. 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 value of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of net assets available for benefits.

**G. Related Party and Party-In-Interest Transactions**

The Plan invests in shares of mutual funds managed by Fidelity Management Trust Company. Transactions in such investments qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules.

**H. Fair Value Measurements**

FASB ASC Topic No. 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a three-tier hierarchy that is used to identify assets and liabilities measured at fair value. The hierarchy focuses on the inputs used to measure fair value and requires that the lowest level input be used. The three levels defined in FASB ASC Topic No. 820 are as follows:

- Level 1 — observable inputs that are based upon quoted market prices for identical assets or liabilities within active markets.

- Level 2 — observable inputs other than Level 1 that are based upon quoted market prices for similar assets or liabilities, based upon quoted prices within inactive markets, or inputs other than quoted market prices that are observable through market data for substantially the full term of the asset or liability.

- Level 3 — inputs that are unobservable for the particular asset or liability due to little or no market activity and are significant to the fair value of the asset or liability. These inputs reflect assumptions that market participants would use when valuing the particular asset or liability.

FASB ASC Topic No. 820 requires that management describe the methodologies used to measure the fair value of assets and liabilities. The methodology used to measure each major category of assets and liabilities is described below. There have been no changes in the methodologies used at December 31, 2011 and 2010.

*Registered Investment Companies*: State at fair value based on quoted market prices.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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.

**H. Fair Value Measurements - continued**

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value. The Plan held only Level 1 investments as of December 31, 2011 and 2010.

| | December 31, 2011 | December 31, 2010 |
|---|---|---|
| Registered Investment Companies | | |
| Balanced Hybrid | $ 2,082,698 | $ 2,034,191 |
| Diversified Bonds | 686,584 | 529,153 |
| Emerging Markets | 636,165 | 905,103 |
| Government Bonds | 3,624,546 | 2,860,189 |
| High Yield Bond | 1,145,841 | 865,793 |
| International/Global Equity | 2,587,938 | 2,909,606 |
| Large Blend | 2,560,489 | 2,248,915 |
| Large Growth | 3,199,064 | 3,585,164 |
| Large Value | 1,366,747 | 1,284,970 |
| LifeCycle Fund | 6,639,745 | 5,575,739 |
| Mid Blend | 2,837,364 | 2,847,859 |
| Small Blend | 2,452,260 | 2,448,341 |
| Specialty | 605,516 | 377,354 |
| Money Market Fund | 3,080,468 | 2,609,508 |
| Total Assets at Fair Value | $ 33,505,425 | $ 31,081,885 |

These items are classified in their entirety based on the lowest priority level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement of assets and liabilities within the levels of the fair value hierarchy.

**I. Reconciliation to Form 5500**

The following is a reconciliation of net assets available for benefits per the financial statements to the Plan's Form 5500 as of December 31:

| | 2011 | 2010 |
|---|---|---|
| Net assets available for benefits per financial statements | $ 34,393,658 | $ 31,811,917 |
| Less: Employer contribution receivable | (85,978) | (90,137) |
| Less: Participant contribution receivable | (58,326) | (59,283) |
| Net assets available for benefits per Form 5500 | $ 34,249,354 | $ 31,662,497 |

**I. Reconciliation to Form 5500 - continued**

The following is a reconciliation of the increase in net assets available for benefits per the financial statements to the Plan's Form 5500 for the year ended December 31:

| | 2011 | 2010 |
|---|---|---|
| Increase in net assets available for benefits per financial statements | $ 2,581,741 | $ 8,342,939 |
| Less: Employer contribution receivable current year | (85,978) | (90,137) |
| Less: Participant contribution receivable current year | (58,326) | (59,283) |
| Add: Employer contribution receivable prior year | 90,137 | 75,947 |
| Add: Participant contribution receivable prior year | 59,283 | 60,256 |
| Less: Excess contributions payable prior year | - | (56,348) |
| Increase in net assets available for benefits per Form 5500 | $ 2,586,857 | $ 8,273,374 |

**J. Information Certified by the Trustee**

The Plan Administrator elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan Administrator limited auditing procedures with respect to the investment information certified by Fidelity Management Trust Company, the trustee, which included total investments as of December 31, 2011 and 2010, the total investment loss for the year ended December 31, 2011, and all information included in the supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year).

**K. Subsequent Events**

In preparing the accompanying financial statements, management of the Company has evaluated all subsequent events and transactions for potential recognition or disclosure through October 12, 2012, the date the financial statements were available for issuance.

# SUPPLEMENTAL SCHEDULE

**MEI TECHNOLOGIES, INC. 401(k) PLAN**

**FORM 5500, SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**December 31, 2011**

**EIN: 76-0359573**
**Plan #: 001**

| (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 |
|---|---|---|---|---|
| | Registered Investment Companies: | | | |
| * | Fidelity Investments | Fidelity Independence | ** | $ 3,199,064 |
| * | Fidelity Investments | Fidelity Government Income | ** | 3,020,594 |
| * | Fidelity Investments | Spartan Extended Market Index | ** | 2,837,364 |
| * | Fidelity Investments | Fidelity International Discovery | ** | 2,497,064 |
| | Keeley | Keeley Small Cap Value | ** | 2,452,260 |
| * | Fidelity Investments | Fidelity Balanced | ** | 2,062,581 |
| * | Fidelity Investments | Spartan 500 Index | ** | 1,811,423 |
| * | Fidelity Investments | Fidelity Freedom 2030 | ** | 1,478,656 |
| | Allianz Funds | Allianz NFJ Dividend Value Admin | ** | 1,366,747 |
| * | Fidelity Investments | Fidelity Capital & Income | ** | 1,145,841 |
| * | Fidelity Investments | Fidelity Freedom 2040 | ** | 1,144,587 |
| * | Fidelity Investments | Fidelity Freedom 2020 | ** | 1,081,641 |
| | Victory | Victory Diversified Stock A | ** | 749,066 |
| | Pimco Funds | Pimco Total Return Admin | ** | 686,584 |
| * | Fidelity Investments | Fidelity Freedom 2015 | ** | 669,340 |
| * | Fidelity Investments | Fidelity Emerging Markets | ** | 636,165 |
| * | Fidelity Investments | Spartan Intermediate Trust Bond Index Fund | ** | 603,952 |
| * | Fidelity Investments | Fidelity Freedom 2025 | ** | 555,605 |
| * | Fidelity Investments | Fidelity Select Gold | ** | 533,607 |
| * | Fidelity Investments | Fidelity Freedom Income | ** | 491,172 |
| * | Fidelity Investments | Fidelity Freedom 2050 | ** | 365,138 |
| * | Fidelity Investments | Fidelity Freedom 2035 | ** | 248,400 |
| * | Fidelity Investments | Fidelity Freedom 2010 | ** | 233,166 |
| * | Fidelity Investments | Fidelity Freedom 2045 | ** | 217,826 |
| * | Fidelity Investments | Spartan International Index | ** | 90,874 |
| * | Fidelity Investments | Fidelity Freedom 2005 | ** | 89,696 |
| * | Fidelity Investments | Fidelity Select Environment and Alternative Energy | ** | 71,909 |
| * | Fidelity Investments | Fidelity Freedom 2000 | ** | 64,518 |
| * | Fidelity Investments | Fidelity Strategic Real Return | ** | 20,117 |
| | Total Registered Investment Companies | | | 30,424,957 |
| | Money Market Fund: | | | |
| * | Fidelity Investments | Fidelity Retirement Money Market | ** | 3,080,468 |
| * | Participant loans | Participant loans, interest rates from 5.00% - 9.25% (through 2017) | - | 743,929 |
| **Total** | | | | $ 34,249,354 |

* Represents a party-in-interest to the Plan as defined by ERISA.

** Cost omitted for participant-directed investments.