

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2011
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☐ Form 5558; ☒ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information						
1a Name of plan BLACKBIRD TECHNOLOGIES, INC. 401(K) PLAN	<table border="1"> <tr> <td>1b Three-digit plan number (PN) ►</td> <td><u>001</u></td> </tr> <tr> <td>1c Effective date of plan</td> <td><u>11/01/1999</u></td> </tr> </table>	1b Three-digit plan number (PN) ►	<u>001</u>	1c Effective date of plan	<u>11/01/1999</u>		
1b Three-digit plan number (PN) ►	<u>001</u>						
1c Effective date of plan	<u>11/01/1999</u>						
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) BLACKBIRD TECHNOLOGIES, INC. 13900 LINCOLN PARK DRIVE SUITE 400 HERNDON, VA 20171	<table border="1"> <tr> <td>2b Employer Identification Number (EIN)</td> <td><u>54-1902228</u></td> </tr> <tr> <td>2c Sponsor's telephone number</td> <td><u>703-796-3695</u></td> </tr> <tr> <td>2d Business code (see instructions)</td> <td><u>541519</u></td> </tr> </table>	2b Employer Identification Number (EIN)	<u>54-1902228</u>	2c Sponsor's telephone number	<u>703-796-3695</u>	2d Business code (see instructions)	<u>541519</u>
2b Employer Identification Number (EIN)	<u>54-1902228</u>						
2c Sponsor's telephone number	<u>703-796-3695</u>						
2d Business code (see instructions)	<u>541519</u>						

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	<u>10/15/2012</u>	<u>GINA M. BACCHUS</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") BLACKBIRD TECHNOLOGIES, INC. 13900 LINCOLN PARK DRIVE SUITE 400 HERNDON, VA 20171		3b Administrator's EIN 54-1902228		
		3c Administrator's telephone number 703-796-3695		
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	432		
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	510		
b Retired or separated participants receiving benefits.....	6b	0		
c Other retired or separated participants entitled to future benefits.....	6c	48		
d Subtotal. Add lines 6a , 6b , and 6c	6d	558		
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0		
f Total. Add lines 6d and 6e	6f	558		
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	351		
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	8		
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 3D 3H				
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:				
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor			
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)				
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top; padding: 5px;"> a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary </td> <td style="width: 50%; vertical-align: top; padding: 5px;"> b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules) </td> </tr> </table>			a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
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SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 <u>BLACKBIRD TECHNOLOGIES, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BLACKBIRD TECHNOLOGIES, INC.</u>	D Employer Identification Number (EIN) <u>54-1902228</u>

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

13-4064930

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

85-0360310

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
EATON VANCE DISTRIBUTORS, INC.

04-3239487

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
INVESCO DISTRIBUTORS, INC.

74-1894784

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

MORGAN STANLEY INVESTMENT ADVISORS

13-3680016

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

NYLIFE DISTRIBUTORS, LLC

169 LACKAWANNA AVENUE
PARSIPPANY, NJ 07054

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

OPPENHEIMER FUNDS INC.

13-2527171

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

PHOENIX - VIRTUS

56 PROSPECT STREET
PO BOX 150480
HARTFORD, CT 06115

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

PRUDENTIAL INVESTMENTS LLC

22-3468527

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

WELLS FARGO FUNDS DISTRIBUTOR, LLC

525 MARKET STREET
12TH FLOOR
SAN FRANCISCO, CA 94105

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

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

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

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

ADP

22-1467904

(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?
37 50 15 64	RECORD KEEPER	1900	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

ADP BROKER-DEALER

22-3319984

(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?
49 99	RECORD KEEPER	0	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

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

MORGAN STANLEY SMITH BARNEY LLC

26-4310632

(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?
49 99 15 50 64 63	RECORDKEEPER	0	Yes ☒ No ☐	Yes ☐ No ☒	0	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
ADP BROKER-DEALER	99	0
<div style="text-align: center;">(d) Enter name and EIN (address) of source of indirect compensation</div>		
ALLIANCEBERNSTEIN L.P. 13-4064930	ANNUAL RATE 0.00265 OF AVERAGE DAILY ASSETS	
<div style="text-align: center;">(a) Enter service provider name as it appears on line 2</div>		
MORGAN STANLEY SMITH BARNEY LLC	64 63 99	0
<div style="text-align: center;">(d) Enter name and EIN (address) of source of indirect compensation</div>		
ALLIANCEBERNSTEIN L.P. 13-4064930	ANNUAL RATE OF 0.25% OF AVERAGE DAILY ASSETS PAID ON A QUARTERLY BASIS ANNUAL RATE OF 0.25% OF AVERAGE DAILY ASSETS PAID ON A QUARTERLY BASIS ANNUAL RATE OF 0.25% OF AVERAGE DAILY ASSETS PAID	
<div style="text-align: center;">(a) Enter service provider name as it appears on line 2</div>		
MORGAN STANLEY SMITH BARNEY LLC	64 99 63	0
<div style="text-align: center;">(d) Enter name and EIN (address) of source of indirect compensation</div>		
DAVIS DISTRIBUTORS, LLC 85-0360310	ANNUAL RATE OF \$16.00 PER POSITION PAID ON QUARTERLY BASIS ANNUAL RATE OF 0.20% OF AVERAGE DAILY ASSETS . ANNUAL RATE OF 0.25% OF AVERAGE DAILY ASSETS.	

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
ADP BROKER-DEALER	99	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.	
DAVIS DISTRIBUTORS, LLC 85-0360310	ANNUAL RATE 0.00265 OF AVERAGE DAILY ASSETS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ADP BROKER-DEALER	99	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.	
EATON VANCE DISTRIBUTORS, INC. 04-3239487	ANNUAL RATE 0.00265 OF AVERAGE DAILY ASSETS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MORGAN STANLEY SMITH BARNEY LLC	99 64 63	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.	
EATON VANCE DISTRIBUTORS, INC. 04-3239487	ANNUAL RATE OF 0.20% OF AVERAGE DAILY ASSETS . ANNUAL RATE OF 0.20% OF AVERAGE DAILY ASSETS . ANNUAL RATE OF \$16.00 PER POSITION PAID ON QUARTER LY BASIS ANNUAL RATE OF \$16.00 PER POSITION PAID ON QUARTER	

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
ADP BROKER-DEALER	99	0
(d) Enter name and EIN (address) of source of indirect compensation INVESCO DISTRIBUTORS, INC. 74-1894784		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. ANNUAL RATE 0.00265 OF AVERAGE DAILY ASSETS		
(a) Enter service provider name as it appears on line 2 MORGAN STANLEY SMITH BARNEY LLC		
(b) Service Codes (see instructions) 99 64 63		
(c) Enter amount of indirect compensation 0		
(d) Enter name and EIN (address) of source of indirect compensation INVESCO DISTRIBUTORS, INC. 74-1894784		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. ANNUAL RATE OF 0.20% OF AVERAGE DAILY ASSETS . ANNUAL RATE OF 0.20% OF AVERAGE DAILY ASSETS . ANNUAL RATE OF 0.20% OF AVERAGE DAILY ASSETS . ANNUAL RATE OF 0.20% OF AVERAGE DAILY ASSETS . ANNUAL RATE OF 0.20% OF AVERAGE DAILY ASSETS .		
(a) Enter service provider name as it appears on line 2 MORGAN STANLEY SMITH BARNEY LLC		
(b) Service Codes (see instructions) 99 64 63		
(c) Enter amount of indirect compensation 0		
(d) Enter name and EIN (address) of source of indirect compensation MORGAN STANLEY INVESTMENT ADVISORS 13-3680016		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. ANNUAL RATE OF 0.20% OF AVERAGE DAILY ASSETS . ANNUAL RATE OF \$18.46 PER POSITION PAID ON QUARTER LY BASIS ANNUAL RATE OF 0.10% OF AVERAGE DAILY ASSETS.		

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
ADP BROKER-DEALER	99	0
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>MORGAN STANLEY INVESTMENT ADVISORS</p> <p>13-3680016</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>ANNUAL RATE 0.00265 OF AVERAGE DAILY ASSETS</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(a) Enter service provider name as it appears on line 2</p> <p>MORGAN STANLEY SMITH BARNEY LLC</p> </div> <div style="width: 20%;"> <p>(b) Service Codes (see instructions)</p> <p>99 64 63</p> </div> <div style="width: 20%;"> <p>(c) Enter amount of indirect compensation</p> <p style="text-align: center;">0</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>NYLIFE DISTRIBUTORS, LLC 169 LACKAWANNA AVENUE PARSIPPANY, NJ 07054</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>ANNUAL RATE OF 0.20% OF AVERAGE DAILY ASSETS . ANNUAL RATE OF \$16.00 PER POSITION PAID ON QUARTER LY BASIS ANNUAL RATE OF 0.25% OF AVERAGE DAILY ASSETS.</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(a) Enter service provider name as it appears on line 2</p> <p>ADP BROKER-DEALER</p> </div> <div style="width: 20%;"> <p>(b) Service Codes (see instructions)</p> <p>99</p> </div> <div style="width: 20%;"> <p>(c) Enter amount of indirect compensation</p> <p style="text-align: center;">0</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>NYLIFE DISTRIBUTORS, LLC 169 LACKAWANNA AVENUE PARSIPPANY, NJ 07054</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>ANNUAL RATE 0.00265 OF AVERAGE DAILY ASSETS</p> </div> </div>		

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
MORGAN STANLEY SMITH BARNEY LLC	99 64 63	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.	
OPPENHEIMER FUNDS INC. 13-2527171	ANNUAL RATE OF 0.20% OF AVERAGE DAILY ASSETS . ANNUAL RATE OF 0.20% OF AVERAGE DAILY ASSETS . ANNUAL RATE OF 0.20% OF AVERAGE DAILY ASSETS . ANNUAL RATE OF \$16.00 PER POSITION PAID ON QUARTER LY BASIS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ADP BROKER-DEALER	99	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.	
OPPENHEIMER FUNDS INC. 13-2527171	ANNUAL RATE 0.00265 OF AVERAGE DAILY ASSETS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MORGAN STANLEY SMITH BARNEY LLC	99 64 63	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.	
PHOENIX - VIRTUS 56 PROSPECT STREET PO BOX 150480 HARTFORD, CT 06115	ANNUAL RATE OF 0.20% OF AVERAGE DAILY ASSETS . ANNUAL RATE OF 0.20% OF AVERAGE DAILY ASSETS . ANNUAL RATE OF 0.20% OF AVERAGE DAILY ASSETS . ANNUAL RATE OF \$16.00 PER POSITION PAID ON QUARTER LY BASIS	

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
ADP BROKER-DEALER	99	0
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> </div> </div>		
PHOENIX - VIRTUS 56 PROSPECT STREET PO BOX 150480 HARTFORD, CT 06115	ANNUAL RATE 0.00265 OF AVERAGE DAILY ASSETS	
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(a) Enter service provider name as it appears on line 2</p> </div> <div style="width: 20%;"> <p>(b) Service Codes (see instructions)</p> </div> <div style="width: 20%;"> <p>(c) Enter amount of indirect compensation</p> </div> </div>		
ADP BROKER-DEALER	99	0
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> </div> </div>		
PRUDENTIAL INVESTMENTS LLC 22-3468527	ANNUAL RATE 0.00265 OF AVERAGE DAILY ASSETS	
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(a) Enter service provider name as it appears on line 2</p> </div> <div style="width: 20%;"> <p>(b) Service Codes (see instructions)</p> </div> <div style="width: 20%;"> <p>(c) Enter amount of indirect compensation</p> </div> </div>		
MORGAN STANLEY SMITH BARNEY LLC	99 64 63	0
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> </div> </div>		
PRUDENTIAL INVESTMENTS LLC 22-3468527	ANNUAL RATE OF 0.20% OF AVERAGE DAILY ASSETS . ANNUAL RATE OF \$16.00 PER POSITION PAID ON QUARTER LY BASIS ANNUAL RATE OF 0.25% OF AVERAGE DAILY ASSETS.	

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
MORGAN STANLEY SMITH BARNEY LLC	99 64 63	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.	
WELLS FARGO FUNDS DISTRIBUTOR, LLC 525 MARKET STREET 12TH FLOOR SAN FRANCISCO, CA 94105	ANNUAL RATE OF 0.20% OF AVERAGE DAILY ASSETS . ANNUAL RATE OF \$16.00 PER POSITION PAID ON QUARTER LY BASIS ANNUAL RATE OF 0.25% OF AVERAGE DAILY ASSETS.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ADP BROKER-DEALER	99	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.	
WELLS FARGO FUNDS DISTRIBUTOR, LLC 525 MARKET STREET 12TH FLOOR SAN FRANCISCO, CA 94105	ANNUAL RATE 0.00265 OF AVERAGE DAILY ASSETS	
(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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>BLACKBIRD TECHNOLOGIES, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BLACKBIRD TECHNOLOGIES, INC.</u>	D Employer Identification Number (EIN) <u>54-1902228</u>	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(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)		
(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)	<u>388123</u>	<u>387170</u>
(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)	<u>17182865</u>	<u>20428182</u>
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(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	17570988	20815352

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 through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	17570988	20815352
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Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1408226	
(B) Participants	2a(1)(B)	3224365	
(C) Others (including rollovers)	2a(1)(C)	879032	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		5511623

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(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)	16331	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		16331

(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)	401387	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		401387

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

		(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)		0
(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)		-1240184
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		4689157

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1435103	
(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)		1435103
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		7790
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)	1900	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1900
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1444793

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		3244364
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: CHERRY BEKAERT & HOLLAND, LLP

(2) EIN: 56-0574444

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

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

Part IV Compliance Questions

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

During the plan year:

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

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

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

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>BLACKBIRD TECHNOLOGIES, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BLACKBIRD TECHNOLOGIES, INC.</u>	D Employer Identification Number (EIN) <u>54-1902228</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>57-1198022</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____	If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (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
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____



To the Plan Administrator and Trustees of the
Blackbird Technologies, Inc. 401(k)

We have conducted a Department of Labor (DOL) limited-scope audit of the financial statements of Blackbird Technologies, Inc. 401(k) (the Plan) as of and for the year ended December 31, 2011 and have issued our report thereon dated October 1, 2012. As permitted by 29 CFR 2520.103-8 of the Department of Labor (DOL)'s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6 to those financial statements. Because of the significance of the information that we did not audit, we are unable to, and have not, expressed an opinion on those financial statements and supplemental schedule taken as a whole. We did, however, audit 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 custodian, in accordance with auditing standards generally accepted in the United States of America and found them to be presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter as of January 9, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Blackbird Technologies, Inc. 401(k) are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2011. We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 1, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plan's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Plan administrator, trustees, and management of Blackbird Technologies, Inc. 401(k) and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Bennett & Holland, L.L.P.

Vienna, Virginia
October 1, 2012

Schedule C, Line 2(h) Formula Description

For those service providers listed on Line 2 for which Line 2(h) has been checked “yes”:

For a description of indirect compensation received by service providers listed on Line 2 that was disclosed as a formula, please see Line 3(e). Please note: If indirect compensation disclosed as a formula was received by a service provider from more than one source, there will be multiple Lines 3(e) for that service provider.



To the Plan Administrator and Trustees of the
Blackbird Technologies, Inc. 401(k)

We have conducted a Department of Labor (DOL) limited-scope audit of the financial statements of Blackbird Technologies, Inc. 401(k) (the Plan) as of and for the year ended December 31, 2011 and have issued our report thereon dated October 1, 2012. As permitted by 29 CFR 2520.103-8 of the Department of Labor (DOL)'s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6 to those financial statements. Because of the significance of the information that we did not audit, we are unable to, and have not, expressed an opinion on those financial statements and supplemental schedule taken as a whole. We did, however, audit 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 custodian, in accordance with auditing standards generally accepted in the United States of America and found them to be presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter as of January 9, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Blackbird Technologies, Inc. 401(k) are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2011. We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 1, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plan's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Plan administrator, trustees, and management of Blackbird Technologies, Inc. 401(k) and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Bennett & Holland, L.L.P.

Vienna, Virginia
October 1, 2012

BLACKBIRD TECHNOLOGIES, INC. 401(k) PLAN
REPORT AND FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

BLACKBIRD TECHNOLOGIES, INC. 401(k) PLAN
DECEMBER 31, 2011 AND 2010
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INDEPENDENT AUDITORS' REPORT

To the Participants and Plan Administrator of the
Blackbird Technologies, Inc. 401(k) Plan

We were engaged to audit the accompanying statements of net assets available for benefits of the Blackbird Technologies, Inc. 401(k) (the Plan) as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011, and the supplemental schedule of assets (held at end of year) as of December 31, 2011. These financial statements and schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by State Street Bank and Trust Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the custodian as of December 31, 2011 and 2010, and for the year ended December 31, 2011 that the information provided to the Plan administrator by the custodian 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Cherry, Bekaert & Holland, L.L.P.

Vienna, Virginia
October 1, 2012

BLACKBIRD TECHNOLOGIES, INC. 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2011	2010
ASSETS		
Investments, at fair value	\$ 20,428,182	\$ 17,182,865
Notes receivable from participants	<u>383,322</u>	<u>388,123</u>
Net assets available for benefits	<u><u>\$ 20,811,504</u></u>	<u><u>\$ 17,570,988</u></u>

(See accompanying notes to the financial statements)

BLACKBIRD TECHNOLOGIES, INC. 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2011

ADDITIONS

Investment income (loss)	
Net depreciation in fair value of investments	\$ (1,240,184)
Interest and dividends	<u>401,387</u>
Total investment loss	<u>(838,797)</u>
Contributions	
Participant contributions	3,224,365
Employer contributions	1,408,226
Participant rollovers	<u>879,032</u>
Total contributions	5,511,623
Interest from notes from participants	<u>16,331</u>
Total additions	<u>4,689,157</u>

DEDUCTIONS

Benefits paid to participants	1,446,741
Administration expenses	<u>1,900</u>
Total deductions	<u>1,448,641</u>
Net increase	3,240,516
Net assets available for benefits, beginning of year	<u>17,570,988</u>
Net assets available for benefits, end of year	<u><u>\$ 20,811,504</u></u>

(See accompanying notes to the financial statements)

BLACKBIRD TECHNOLOGIES, INC. 401(k) PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

Note 1 – Description of plan

The following description of the Blackbird Technologies, Inc. 401(k) Plan (the Plan) is provided for general purposes only. Participants should refer to the Plan agreement, as amended and restated, for a more complete description of the Plan's provisions.

General – The Plan was established on November 1, 1999 and was most recently amended and restated effective September 1, 2011. The Plan is a defined contribution plan covering substantially all of the employees of Blackbird Technologies, Inc. (the Company or the Plan Sponsor). The Plan is intended to qualify under Section 401(k) of the Internal Revenue Code (IRC) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan's assets are held in the custody of State Street Bank and Trust Company (State Street). ADP Retirement Services (ADP) serves as the Plan record keeper.

Administrative expenses – The Plan is administered by the Plan Sponsor. Certain administrative functions are performed by officers or employees of the Plan Sponsor. No such officer or employee receives compensation from the Plan. Administrative expenses are paid directly by the Plan Sponsor.

Participant contributions – Participants may contribute a percentage of their eligible compensation, as defined in the Plan, on a pre-tax basis subject to statutory limitations of the IRC. Participants may also designate all or a portion of their elections as Roth elective deferrals. In addition, participants 50 years of age or older may elect to make a catch-up deferral contribution of up to \$5,500 for the year ended December 31, 2011. Distributions from other qualified retirement plans can also be contributed to the Plan and retained as a rollover contribution.

Company contributions – The Company may make a discretionary matching contribution to the Plan, with the amounts determined annually. Plan Sponsor discretionary contributions and forfeitures are allocated to participants based on total compensation of all participants. A participant must be employed on the last day of the Plan year in order to share in the allocation of Plan Sponsor contributions and forfeitures. In 2011, the Company matched 100% of the first 5% of employee salary contributed to the Plan by employees who met certain eligibility requirements. The discretionary matching contribution for the year ended December 31, 2011 was \$1,408,226. Each year the Company may also make a qualified non-elective contribution (QNEC), to be allocated to non-highly compensated eligible employees. There were no qualified non-elective contributions made during the year ended December 31, 2011. Contributions are subject to certain limitations.

Vesting – Participants are immediately vested in their salary deferral contributions, rollover contributions, and qualified non-elective contributions, plus actual earnings thereon. Participants may direct the investment of contributions on a daily basis into various investment options offered by the Plan. A participant also becomes 100% vested upon death, becoming disabled, or reaching retirement age, as defined by the Plan.

Plan Sponsor discretionary matching contributions vest as follows:

<u>Years of Service</u>	<u>Percent Vested</u>
Less than 3	0%
3 or more	100%

Participant accounts – Individual accounts are maintained for each participant and include participants' salary deferral contribution and rollover contributions, plus an allocation of the Plan Sponsor's discretionary matching

BLACKBIRD TECHNOLOGIES, INC. 401(k) PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)

contribution, QNEC contribution (if any) and plan earnings (losses), including realized and unrealized gains and losses on investments.

Forfeitures – Terminating participants forfeit non-vested Plan Sponsor discretionary matching contributions. Remaining forfeitures shall be applied against Plan Sponsor contributions in accordance with specific Plan provisions. At December 31, 2011 and 2010, forfeited non-vested accounts totaled \$76,407 and \$7,594 respectively. During the year ended December 31, 2011, \$32,490 forfeitures were used to reduce Plan Sponsor contributions.

Benefits paid to participants – On termination of service, a participant (or designated beneficiary) may elect to receive an amount equal to the value of the participant's vested interest in his account. The Plan allows for distributions upon termination of service, death, disability, attainment of age 59 ½, or in certain hardship situations. A participant may elect to receive a lump sum payment, an annuity, or may roll over the value of their account into another qualified plan. In the event a participant terminates or retires and the participant's vested account balance is less than \$1,000, the balance will either be rolled into an IRA or paid out as a lump sum distribution at the discretion of the Company.

Hardship withdrawals – The Plan also allows, in certain hardship situations as defined in the Plan, participants to withdraw from their account balances while actively employed. These hardship withdrawals are subject to IRC restrictions and penalties.

Notes receivable from participants – Participants may borrow from their fund accounts a minimum of \$500 up to a maximum equal to the lesser of \$50,000 or 50% of their eligible account balance, reduced by any outstanding note balance. Participants may have up to two notes outstanding during a period of twelve consecutive months. Notes must be repaid within 5 years unless it is for the purchase of a primary residence. The notes are secured by the balance in the participant's account and bear interest at a rate, as determined by the Plan administrator. At December 31, 2011, interest rates ranged from 4.25% to 7.00%.

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

Investment options – Participants may direct State Street Bank and Trust Company, the custodian, as to the investment of their account balances in accordance with guidelines established by the Plan. Participants may change their investment elections at any time. Transfers of account balances between elected investment options may also be made at any time.

Note 2 – Summary of significant accounting policies

Basis of accounting – The financial statements of the Plan are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Investment valuation and income recognition – Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

BLACKBIRD TECHNOLOGIES, INC. 401(k) PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)

Benefits paid to participants— Benefits paid to participants are recorded when paid.

Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risks and uncertainties – The Plan provides for various investment fund options. Investments are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

Fair value measurement – Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurement and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;

Level 2 – Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies; and

Level 3 – Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Mutual funds – These investments are public investment vehicles valued using the Net Asset Value (NAV) provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market and is classified within level 1 of the valuation hierarchy.

New accounting pronouncements – In January 2010, the FASB issued guidance to improve disclosures regarding fair value measurements. This update requires entities to (i) disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers and (ii) present separately (i.e., on a gross basis rather than as one net number), information about purchases, sales, issuances, and settlements in the roll forward of changes in Level 3 fair value measurements. For the gross presentation of activity in the Level 3 roll forward, this guidance is effective for fiscal years beginning after December 15, 2010. As this

BLACKBIRD TECHNOLOGIES, INC. 401(k) PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)

guidance is only disclosure related, it did not have any changes to the carrying value of the investments on the statements of net assets as of December 31, 2011 and 2010.

In May 2011, the FASB issued guidance to provide a consistent definition of fair value and ensure that the fair value measurement and disclosure requirements are similar between GAAP and International Financial Reporting Standards. This update changes certain fair value measurement principles and enhances the disclosure requirements particularly for Level 3 fair value measurements. This guidance is effective for annual periods beginning after December 15, 2011 and should be applied prospectively. Plan management is currently evaluating the impact of the pending adoption of this update on the Plan's financial statements.

Note 3 – Investments

Investments consist of various mutual funds that allow participants to diversify their holdings. Participants are afforded several investment options covering a wide range of investment objectives and risk. Participants may allocate their contributions on a daily basis across these options in any proportion they wish.

The fair values of individual investments that represent 5% or more of the Plan's net assets are as follows:

	December 31,	
	2011	2010
Oppenheimer Real Estate – A	\$ 1,639,947	\$ 1,329,746
Morgan Stanley Liquid Asset	1,576,286	1,396,178
Invesco Van Kampen Equal-Weight S&P 500 – A	1,560,706	1,239,330
Invesco Van Kampen Mid Cap Growth Fund – A	1,455,380	1,342,399
Oppenheimer Capital Appreciation – A	1,336,792	1,141,490
Oppenheimer Funds Global Fund – A	1,303,478	1,163,942
Virtus Mid Cap Value Fund – A	1,300,303	1,097,992
Virtus Alphasector Rot - A	1,209,826	-
Wells Fargo Advanced Emerging Markets Eq - A	1,169,399	1,150,680
Invesco Van Kampen Equity and Income – A	1,157,675	1,066,166
Davis Funds New York Venture Fund – A	-	1,199,812
Wells Fargo Mid Cap Growth Fund – A	-	1,150,680
Alliance Bernstein International Value Fund – A	-	907,593

During the Plan year ended December 31, 2011, the Plan's investments in mutual funds (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by \$1,240,184.

BLACKBIRD TECHNOLOGIES, INC. 401(k) PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)

Note 4 – Tax status

The prototype plan adopted by the Plan obtained its latest determination letter on May 3, 2002, in which the Internal Revenue Service (IRS) stated that the prototype plan, as then designed, was in compliance with the applicable requirements of the IRC. The prototype plan has been amended since receiving the determination letter. The Plan has not received a determination letter specific to the Plan itself, however, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC and has no income subject to business income tax and therefore, the Plan and related trust continue to be tax-exempt.

GAAP requires Plan Management to evaluate the 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. Plan Management has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011 and 2010, 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 audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Plan Management believes it is no longer subject to income tax examinations for years prior to 2008.

Note 5 – Plan termination

Although it has not expressed any intent to do so, the Plan Sponsor has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of the Plan's termination, participants will become fully vested in their accounts.

Note 6 – Information prepared and certified by State Street Bank and Trust Company

The Plan Administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information certified by State Street, the custodian, except for comparing such information certified by the custodian to information included in the Plan's financial statements and supplemental schedule.

The custodian has supplied the Plan administrator with a certification as to the completeness and accuracy of certain investment information presented in the accompanying statements of net assets available for benefits as of December 31, 2011 and 2010, the statement of changes in net assets available for benefits for the year ended December 31, 2011 and the supplemental schedule of assets (held at end of year) as of December 31, 2011.

BLACKBIRD TECHNOLOGIES, INC. 401(k) PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)

The following information and related data included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by State Street:

	2011	2010
Investments at fair value:		
Mutual funds	\$ 20,428,182	\$ 17,182,865
Notes receivable from participants	\$ 383,322	
Net depreciation in fair value of investments	\$ (1,240,184)	
Interest and dividends	\$ 401,387	
Interest from notes from participants	\$ 16,331	

Note 7 – Parties-in-interest

Fees paid to the custodian totaled \$1,900 for the year ended December 31, 2011.

Note 8 – Fair value measurements

Below are the Plan's financial instruments carried at fair value on a recurring basis by the Fair Value hierarchy levels described in Note 2.

	Investments at fair value as of December 31, 2011			
	(Level 1)	(Level 2)	(Level 3)	Total
Mutual funds:				
Growth funds	\$ 7,132,797	\$ -	\$ -	\$ 7,132,797
Domestic equity funds	2,102,518	-	-	2,102,518
Fixed income fund	1,576,286	-	-	1,576,286
Index funds	1,209,826			1,209,826
Bond funds	1,354,570	-	-	1,354,570
Retirement strategy funds	2,429,234	-	-	2,429,234
Value equity funds	1,528,806	-	-	1,528,806
Global value fund	1,303,478	-	-	1,303,478
International value fund	849,506	-	-	849,506
International growth fund	941,161	-	-	941,161
Total investments at fair value	\$ 20,428,182	\$ -	\$ -	\$ 20,428,182

BLACKBIRD TECHNOLOGIES, INC. 401(k) PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)

	Investments at fair value as of December 31, 2010			
	(Level 1)	(Level 2)	(Level 3)	Total
Mutual funds:				
Growth funds	\$ 7,278,989	\$ -	\$ -	\$ 7,278,989
Domestic equity funds	1,723,060	-	-	1,723,060
Fixed income fund	1,396,179	-	-	1,396,178
Bond funds	1,314,855	-	-	1,314,855
Retirement strategy funds	1,304,470	-	-	1,304,470
Value equity funds	1,256,723	-	-	1,256,723
Global value fund	1,163,942	-	-	1,163,942
International value fund	907,593	-	-	907,593
International growth fund	837,054	-	-	837,054
Total investments at fair value	\$ 17,182,865	\$ -	\$ -	\$ 17,182,865

Note 9 – Reconciliation of financial statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Schedule H of Form 5500:

	2011	2010
Net assets available for benefits per the financial statements	\$ 20,811,504	\$ 17,570,988
Notes receivable from participants	<u>3,848</u>	<u>-</u>
Total net assets per Form 5500	<u>\$ 20,815,352</u>	<u>\$ 17,570,988</u>
Change in net assets available for benefits per the financial statements	\$ 3,240,516	
Deemed distributions of participant loans	<u>3,848</u>	
Net income per Form 5500	<u>\$ 3,244,364</u>	

Note 10 – Subsequent events

The Plan has evaluated subsequent events through October 1, 2012, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULE

BLACKBIRD TECHNOLOGIES, INC. 401(k) PLAN
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
FORM 5500

SCHEDULE H, PART IV, LINE 4i
EIN 54-1902228, PLAN NUMBER 002
DECEMBER 31, 2011

(a)	(b) Identity of Issue	(c) Description of Investment Including Maturity Dates, Rates of Interest, Par or Maturity Value	(d) Cost	(e) Current Value
	Invesco Van Kampen	Mid Cap Growth Fund - A	\$ -	\$ 1,455,380
	Wells Fargo	Advanced Emerging Markets Eq A	-	1,169,399
	Invesco Van Kampen	International Growth - A	-	941,161
	Jennison	Small Company Fund - A	-	452,845
	Eaton Vance	Large Cap Value -A	-	228,503
	Alliance Bernstein	2000 Retirement Str -A	-	51,544
	Alliance Bernstein	2005 Retirement Str -A	-	3,864
	Alliance Bernstein	2010 Retirement Str -A	-	22,302
	Alliance Bernstein	2015 Retirement Str -A	-	181,111
	Alliance Bernstein	2020 Retirement Str - A	-	166,200
	Alliance Bernstein	2025 Retirement Str - A	-	914,202
	Alliance Bernstein	2030 Retirement Str - A	-	277,357
	Alliance Bernstein	2035 Retirement Str - A	-	325,564
	Alliance Bernstein	2040 Retirement Str - A	-	220,159
	Alliance Bernstein	2045 Retirement Str - A	-	145,434
	Oppenheimer Funds	Real Estate - A	-	1,639,947
	Oppenheimer Funds	Capital Apprec - A	-	1,336,792
	Oppenheimer Funds	Global Fund - A	-	1,303,478
	Morgan Stanley	Liquid Asset	-	1,576,286
	Eaton Vance	Income Fund of Boston - A	-	465,511
	Alliance Bernstein	2050 Retirement Str- A	-	68,739
	Alliance Bernstein	2055 Retirement Str- A	-	52,758
	Mainstay	ICAP International R2	-	849,506
	Virtus	Mid Cap Value Fund - A	-	1,300,303
	Invesco Van Kampen	Equal-Weight S&P 500 - A	-	1,560,706
	Invesco Van Kampen	Technology Sector - A	-	462,570
	Invesco Van Kampen	Equity and Income - A	-	1,157,675
	Virtus	Short Term Bond - A	-	889,059
	Virtus	Alphasector Rot A	-	1,209,826
*	Notes receivable from participants	Loans to participants, due from January, 2012 to November, 2016, with interest rates ranging from 4.25 - 7.00%	-	383,322
	Total		<u>\$ -</u>	<u>\$ 20,811,504</u>

* Denotes a party-in-interest

(d) Cost information is not presented as these are participant directed accounts.

The above information has been certified by State Street Bank and Trust Company, the custodian,
as complete and accurate.

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name BLACKBIRD TECHNOLOGIES, INC. 401(K) PLAN

EIN: 54-1902228

Plan Sponsor's Name BLACKBIRD TECHNOLOGIES, INC.

PN: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	INVVK MID CAP GROWTH A	REGISTERED INVESTMENT COMPANY		1,455,380
	VIRTUS ALPHASECTOR ROT A	REGISTERED INVESTMENT COMPANY		1,209,826
	WELLS FARGO ADV EMG MKTS EQ A	REGISTERED INVESTMENT COMPANY		1,169,399
	INVESCO INTL GROWTH - A	REGISTERED INVESTMENT COMPANY		941,161
	JENNISON SMALL COMPANY - A	REGISTERED INVESTMENT COMPANY		452,845
	EATON VANCE LARGE CAP VALUE -A	REGISTERED INVESTMENT COMPANY		228,503
	ALLIANCEBERN 2000 RET STRAT -A	REGISTERED INVESTMENT COMPANY		51,544

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name BLACKBIRD TECHNOLOGIES, INC. 401(K) PLAN

EIN: 54-1902228

Plan Sponsor's Name BLACKBIRD TECHNOLOGIES, INC.

PN: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	ALLIANCEBERN 2005 RET STRAT -A	REGISTERED INVESTMENT COMPANY		3,864
	ALLIANCEBERN 2010 RET STRAT -A	REGISTERED INVESTMENT COMPANY		22,302
	ALLIANCEBERN 2015 RET STRAT -A	REGISTERED INVESTMENT COMPANY		181,111
	ALLIANCEBERN 2020 RET STRAT -A	REGISTERED INVESTMENT COMPANY		166,200
	ALLIANCEBERN 2025 RET STRAT -A	REGISTERED INVESTMENT COMPANY		914,202
	ALLIANCEBERN 2030 RET STRAT -A	REGISTERED INVESTMENT COMPANY		277,357
	ALLIANCEBERN 2035 RET STRAT -A	REGISTERED INVESTMENT COMPANY		325,564

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name BLACKBIRD TECHNOLOGIES, INC. 401(K) PLAN

EIN: 54-1902228

Plan Sponsor's Name BLACKBIRD TECHNOLOGIES, INC.

PN: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	ALLIANCEBERN 2040 RET STRAT -A	REGISTERED INVESTMENT COMPANY		220,159
	ALLIANCEBERN 2045 RET STRAT -A	REGISTERED INVESTMENT COMPANY		145,434
	OPPENHEIMER REAL ESTATE - A	REGISTERED INVESTMENT COMPANY		1,639,947
	OPPENHEIMER CAPITAL APPREC - A	REGISTERED INVESTMENT COMPANY		1,336,792
	OPPENHEIMER GLOBAL FUND - A	REGISTERED INVESTMENT COMPANY		1,303,478
	MORGAN STANLEY LIQUID ASSET	REGISTERED INVESTMENT COMPANY		1,576,286
	EATON VANCE INCOME FD OF BOS-A	REGISTERED INVESTMENT COMPANY		465,511

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name BLACKBIRD TECHNOLOGIES, INC. 401(K) PLAN

EIN: 54-1902228

Plan Sponsor's Name BLACKBIRD TECHNOLOGIES, INC.

PN: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	ALLIANCEBERN 2050 RET STRAT-A	REGISTERED INVESTMENT COMPANY		68,739
	ALLIANCEBERN 2055 RET STRAT-A	REGISTERED INVESTMENT COMPANY		52,758
	MAINSTAY ICAP INTERNATIONAL R2	REGISTERED INVESTMENT COMPANY		849,506
	VIRTUS MID-CAP VALUE FUND - A	REGISTERED INVESTMENT COMPANY		1,300,303
	INVESCO EQUAL-WEIGHT S&P 500 A	REGISTERED INVESTMENT COMPANY		1,560,706
	INVESCO TECHNOLOGY SECTOR A	REGISTERED INVESTMENT COMPANY		462,570
	INVVK EQUITY AND INCOME A	REGISTERED INVESTMENT COMPANY		1,157,675

Plan Name	BLACKBIRD TECHNOLOGIES, INC. 401(K) PLAN	EIN:	54-1902228
Plan Sponsor's Name	BLACKBIRD TECHNOLOGIES, INC.	PN:	001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	VIRTUS SHORT TERM BOND -A	REGISTERED INVESTMENT COMPANY		889,059
	PARTICIPANT LOANS	INTEREST RATES (4.25% TO 7.00%)		387,170