Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [X] 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
VARIOSYSTEMS INC 401(K) PROFIT SHARING PLAN & TRUST

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2003

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

VARIOSYSTEMS INC

901 S KIMBALL AVE
SOUTHLAKE, TX 76092

2b Employer Identification Number (EIN)
75-2793709

2c Sponsor's telephone number
817-416-7535

2d Business code (see instructions)
339900

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.	01/15/2013	CRYSTAL MOWREY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	01/15/2013	CRYSTAL MOWREY
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

901 S KIMBALL AVE
SOUTHLAKE, TX 76092

3b Administrator's EIN
75-2793709

3c Administrator's telephone number
817-416-7535

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**	142
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**	135
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	7
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	142
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	142
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	84
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

(1)	X		**H** (Financial Information)
(2)			**I** (Financial Information – Small Plan)
(3)		0	**A** (Insurance Information)
(4)	X		**C** (Service Provider Information)
(5)			**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

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

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

A Name of plan
VARIOSYSTEMS INC 401(K) PROFIT SHARING PLAN & TRUST

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
VARIOSYSTEMS INC

D Employer Identification Number (EIN)
75-2793709

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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250 VESEY STREET
NEW YORK, NY 10281

13-5674085

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

PAYCHEX SECURITIES CORPORATION

16-1486352

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

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

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

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4 WORLD FINANCIAL CENTER
250 VESEY STREET
NEW YORK, NY 10281

13-5674085

(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?
	BROKERAGE		Yes [X] No [ ]	Yes [ ] No [X]	24112	Yes [ ] No [X]

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
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(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.
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(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

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

A Name of plan
VARIOSYSTEMS INC 401(K) PROFIT SHARING PLAN & TRUST

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
VARIOSYSTEMS INC

D Employer Identification Number (EIN)
75-2793709

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	2455
(2) Participant contributions	1b(2)	0	10373
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	123666	97883
(2) U.S. Government securities	1c(2)	0	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	
(B) All other	1c(3)(B)	0	
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	
(B) Common	1c(4)(B)	0	
(5) Partnership/joint venture interests	1c(5)	0	
(6) Real estate (other than employer real property)	1c(6)	0	
(7) Loans (other than to participants)	1c(7)	0	
(8) Participant loans	1c(8)	122586	158865
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	1191074	1358428
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	0	
(2) Employer real property	1d(2)	0	
e Buildings and other property used in plan operation	1e	0	
f Total assets (add all amounts in lines 1a through 1e)	1f	1437326	1628004
Liabilities			
g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	0	
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	1437326	1628004

Part II Income and Expense Statement

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

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	72083	
(B) Participants	2a(1)(B)	289501	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		361584
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	4948	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		4948
(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)	18619	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		18619
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		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)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-58029
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		327122
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	125056	
(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)		125056
f Corrective distributions (see instructions)	2f		3253
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	7470	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	665	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		8135
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		136444
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		190678
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) [X] Unqualified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: SANFORD, BAUMEISTER & FRAZIER, LLP **(2)** EIN: 20-8131297

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		143733
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ **Yes** ☒ **No**

If "Yes," enter the amount of any plan assets that reverted to the employer this year **Amount:**

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

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

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

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

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

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

A Name of plan
VARIOSYSTEMS INC 401(K) PROFIT SHARING PLAN & TRUST

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
VARIOSYSTEMS INC

D Employer Identification Number (EIN)
75-2793709

Part I Distributions

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

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

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

EIN(s): 16-1470238

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

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

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

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

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

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

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

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

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

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

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

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

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

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

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

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

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

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

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

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

VARIOSYSTEMS, INC.
401(k) PROFIT SHARING PLAN & TRUST

FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION AND INDEPENDENT AUDITORS' REPORT

YEARS ENDED DECEMBER 31, 2011 AND 2010

VARIOSYSTEMS, INC. 401(k) PROFIT SHARING PLAN & TRUST
INDEX
DECEMBER 31, 2011 AND 2010

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SB&F
SANFORD, BAUMEISTER & FRAZIER, PLLC
Certified Public Accountants and Consultants

October 4, 2012

To the Plan Trustees
Variosystems, Inc. 401(k) Profit Sharing Plan & Trust

Independent Auditors' Report

We have audited the accompanying statements of net assets available for benefits of Variosystems, Inc. 401(k) Profit Sharing Plan & Trust as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Variosystems, Inc. 401(k) Profit Sharing Plan & Trust as of December 31, 2011 and 2010, and the changes in its net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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

Sanford, Baumeister & Frazier, LLP

SANFORD, BAUMEISTER & FRAZIER, LLP
Fort Worth, Texas

Keeping you in the black, not in the dark

North Dallas | 4004 Beltline Road, Suite 235 | Addison, TX 75001 | 972.385.3180 main | 972.385.3389 fax
Fort Worth | 512 Main Street, Suite 1500 | Fort Worth, TX 76102 | 817.877.5000 main | 817.877.5330 fax
www.sbf-cpa.com

VARIOSYSTEMS, INC. 401(K) PROFIT SHARING PLAN & TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Investments at fair value:		
Mutual funds	**$ 1,456,311**	$ 1,314,740
Receivables:		
Participant contributions	**10,373**	-
Employer contributions	**2,455**	-
Participant loans	**158,865**	122,586
Total receivables	**171,693**	122,586
TOTAL ASSETS	**1,628,004**	1,437,326
LIABILITIES	**-**	-
NET ASSETS AVAILABLE FOR BENEFITS	**$ 1,628,004**	$ 1,437,326

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

VARIOSYSTEMS, INC. 401(K) PROFIT SHARING PLAN & TRUST
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
Additions to net assets attributed to:		
Investment income:		
Net appreciation (depreciation) in fair value of investments	$ (58,029)	$ 122,381
Dividends	18,619	7,929
Interest on participant loans	4,948	4,200
Total Investment Income (Loss)	(34,462)	134,510
Contributions:		
Participant	289,501	266,647
Employer	72,083	60,450
Total Contributions	361,584	327,097
Total Additions	327,122	461,607
Deductions from net assets attributed to:		
Benefits paid to participants	128,309	97,500
Administrative expenses	8,135	4,170
Total Deductions	136,444	101,670
Net Increase in Net Assets Available for Benefits	190,678	359,937
Net Assets Available for Benefits:		
Beginning of Year	1,437,326	1,077,389
End of Year	$ 1,628,004	$ 1,437,326

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

NOTE 1 - DESCRIPTION OF PLAN

PLAN DESCRIPTION

The following description of the Variosystems, Inc. 401(k) Profit Sharing Plan & Trust (the "Plan") is provided as general information only. Participants should refer to the Plan document for complete information regarding the Plan's definitions, benefits, eligibility and other matters.

GENERAL

Effective January 1, 2003, Variosystems, Inc. (the Company) established the Variosystems, Inc. 401(k) Profit Sharing Plan & Trust, which is a defined contribution plan covering all eligible employees of the Company who have completed ninety days of service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

ADMINISTRATION, CUSTODIANSHIP AND TRUSTEE OF THE PLAN

The Company is the plan administrator and the trustee, Paychex, Inc. is the third party plan administrator and Merrill Lynch is the custodian of the Plan.

ELIGIBILITY

All employees, who meet annual age and hour requirements, are eligible to participate in the Plan. Employees may elect to enroll in the Plan on the first day of the month which coincides with or next follows their completion of 90 days of eligible service.

CONTRIBUTIONS

The Plan is a defined contribution plan to which participants may elect to defer a percentage of their compensation, as defined by the Plan, not to exceed the maximum contribution qualifying for tax deferral under the Internal Revenue Code. For the Plan years ended December 31, 2010 and 2009, the maximum contribution of $16,500 for each year, exclusive of allowable catch-up contributions of $5,500 for those aged 50 and above, per participant, qualifies for deferral of tax under the Internal Revenue Code. Rollover contributions are allowed by the Plan.

Matching contributions may be contributed, at the Company's discretion, to participants who are employed on the last day of the Plan year. Such matching contributions were made in an amount equal to fifty percent of the participant's elective deferral. Such matching contribution will not exceed 2% of eligible compensation for the years ended December 31, 2011 and 2010.

PARTICIPANT ACCOUNTS

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution, (b) the Company's matching contribution, (c) earnings, and (d) forfeitures of terminated participant's nonvested accounts, and is charged with an allocation of administrative expenses. Allocations are based on participant gross wages or account balances as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Participants are permitted to allocate their account balance and deferral contributions between several investment options and to change their investment elections at their own discretion.

VESTING

Participants are immediately vested in their deferral contributions and rollover contributions, plus actual earnings thereon. Participants become vested in company matching contributions, if any, over six years of service beginning with the second year of service and increasing by 20 percent each year thereafter as defined in the Plan.

NOTE 1 - DESCRIPTION OF PLAN - Continued

VESTING - Continued

Full 100 percent vesting may also be attained upon cessation of employment by reason of death, permanent disability or retirement. Participants who terminate prior to vesting in company matching contributions forfeit the right to receive that portion of their account attributable to such contributions. Amounts forfeited are allocated to the remaining participants as additional employer contributions in the Plan year in which the forfeiture occurs.

INVESTMENT OPTIONS

Upon enrollment in the Plan, a participant may direct the investment of all of their accounts in the funds selected in the Plan. Participants may change their investment options as often as they wish via the online system and other options provided by Paychex, Inc. and the Company.

PARTICIPANT LOANS

Participants shall be limited to one outstanding loan in any 12-month period. Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of: the greater of (1) or (2) below, reduced by any then outstanding loan balance:

(1) 47.5 percent of the Participant's vested account balance.

(2) $50,000.

Loan terms generally range from 1 to 4.5 years. The participant's loan is collateralized by the balance in the participant's account and bears interest at a rate commensurate with local prevailing rates as determined at the application date of the loan. Interest rates ranged from 4.25% to 9.25% at December 31, 2011 and 2010. Principal and interest are paid ratably through bi-weekly payroll deductions. Interest income is recorded on the accrual basis and shown as a component of changes in net assets available for benefits.

FORFEITURES

Forfeitures are used to offset administrative expenses paid by the Plan. During the years ended December 31, 2011 and 2010, 7,470 and 3,774, respectively, of forfeitures were used to offset Plan administrative expenses. As of December 31, 2011 and 2010, the forfeited non vested account balance was $112 and $4,755, respectively.

BENEFITS

On termination of service, death, disability, or retirement, a participant may elect from one of the many distribution options provided in the Plan, including a lump sum distribution of all of the participant's accounts.

WITHDRAWALS

A participant may withdraw all or a portion of deferral contributions under certain "hardship" conditions. Such hardship conditions include, but are not limited to, medical expenses, down payment on a principal residence or any payment of education expenses of the participant or their dependents.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the Plan are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, if any, and disclosure of contingent assets and liabilities, if any, at the dates of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

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. See Note 3 for discussion of fair value measurements.

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

FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. US GAAP also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

An asset or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its valuation.

Fair value estimates are made at a specific point in time, the methods described may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair value. Although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES - Continued

BENEFITS

Benefits paid to participants are recorded as a reduction of net assets available for benefits when paid.

ADMINISTRATIVE FEES

The plan sponsor pays certain administrative fees of the Plan.

RECENT ACCOUNTING STANDARDS

In May 2011, FASB issued Auditing Standards Update (ASU) NO. 2011-04, *Fair Value measurement (Topic 820): Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRS's.* The objective of this update is to improve the comparability of fair value measurements presented and disclosed in financial statement prepared in accordance with U.S. generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRSs), by changing the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and disclosing information about fair value measurements. The amendments include those that clarify FASB's intent about the application of existing fair value measurement and disclosure requirements and those that change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The ASU is effective for annual periods beginning after December 15, 2011. Application of this ASU is not expected to have a material impact on net assets or changes in net assets as the amendment generally applies to fair value disclosures.

NOTE 3 – INVESTMENTS

The following table presents the individual investments of the Plan at December 31, 2011 and 2010. Investments representing 5% or more of the Plan's net assets have been separately identified. All of the investments are participant directed.

Investments (At Fair Value)		2011		2010
Mutual Funds				
Blackrock International Fund		**$ 62,421**	*	$ 80,797
Blackrock Global Allocation Fund	*	**333,592**	*	284,815
Blackrock Fundamental Growth Fund	*	**118,981**	*	132,755
Blackrock Basic Value Fund	*	**101,520**	*	98,074
Blackrock Value Opportunities Fund	*	**171,700**	*	144,494
Blackrock Total Return Fund	*	**154,363**	*	88,297
Blackrock Large Cap Core Fund		**67,921**	*	84,447
Blackrock Large Cap Value Fund		**72,961**		64,911
Blackrock Government Income Portfolio		**-**	*	128,661
Blackrock Small Cap Growth Fund II	*	**89,608**	*	83,823
Blackrock Intermediate Government Bonds	*	**185,360**		-
Merrill Lynch Ready Assets Trust	*	**97,884**	*	123,666
Total Investments		**$ 1,456,311**		$ 1,314,740

* Denotes an investment that represents 5% or more of the Plan's net assets available for benefits.

NOTE 3 – INVESTMENTS – continued

The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year-end. As of December 31, 2011 and 2010, investments by fair value measurements are as follows:

December 31, 2011	Level 1	Level 2	Level 3	Fair Value
Bond funds	$ 339,723	$ -	$ -	$ 339,723
Equity funds	1,018,704	-	-	1,018,704
Money market funds	97,884	-	-	97,884
Total Investments	$ 1,456,311	$ -	$ -	$ 1,456,311

December 31, 2010	Level 1	Level 2	Level 3	Fair Value
Bond funds	$ 88,297	$ -	$ -	$ 88,297
Equity funds	974,116	-	-	974,116
Fixed income funds	128,661	-	-	128,661
Money market funds	123,666	-	-	123,666
Total Investments	$ 1,314,740	$ -	$ -	$ 1,314,740

NOTE 4 – TAX STATUS

The Plan is a prototype standardized profit sharing plan with CODA, with Paychex, Inc. and obtained its latest determination letter on March 31, 2008 in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes the Plan is currently being operated in compliance with the applicable requirement of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

GAAP requires plan management to evaluate tax positions taken by the plan and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

NOTE 5 – PLAN TERMINATION

The Plan has been established with the intention that it will continue to be a permanent plan. The Company has not expressed any intent to terminate the Plan; however, the Company reserves the right to terminate or amend the Plan at any time as permitted by ERISA. In the event of Plan termination, participants will automatically become 100 percent vested in their accounts.

NOTE 6 – RISKS AND UNCERTAINTIES

The Plan provides various mutual fund options for investing in any combination of stocks, bonds, fixed income securities and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of net assets available for benefits.

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events for adjustment or disclosure to the financial statements through October 4, 2011, which is the date that the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULE

VARIOSYSTEMS, INC. 401(K) PROFIT SHARING PLAN & TRUST
EIN 75-2793709 PLAN #001
FORM 5500, SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
DECEMBER 31, 2011

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
	BlackRock, Inc.	Blackrock International Fund		$ 62,421
	BlackRock, Inc.	Blackrock Small Cap Growth Fund II		89,608
	BlackRock, Inc.	Blackrock Global Allocation Fund		333,592
	BlackRock, Inc.	Blackrock Capital Appreciaiton Fund		118,981
	BlackRock, Inc.	Blackrock Basic Value Fund		101,520
	BlackRock, Inc.	Blackrock Value Opportunities Fund		171,700
	BlackRock, Inc.	Blackrock Total Return Fund		154,363
	BlackRock, Inc.	Blackrock Large Cap Core Fund		67,921
	BlackRock, Inc.	Blackrock Large Cap Value Fund		72,961
	BlackRock, Inc.	Blackrock Intermediate Government Bonds		185,360
*	Merrill Lynch	Merrill Lynch Ready Assets Trust		97,884
		Total investments		1,456,311
*	Participant loans	Participant loans; interest rates range from 4.25% to 9.25%		158,865
				$ 1,615,176

* A Party-in-interest as defined by ERISA.

Column (d) Cost is not required since all investments are participant directed.

See independent auditors' report.

VARIOSYSTEMS, INC. 401(K) PROFIT SHARING PLAN & TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Investments at fair value:		
Mutual funds	$ 1,456,311	$ 1,314,740
Receivables:		
Participant contributions	10,373	-
Employer contributions	2,455	-
Participant loans	158,865	122,586
Total receivables	171,693	122,586
TOTAL ASSETS	1,628,004	1,437,326
LIABILITIES	-	-
NET ASSETS AVAILABLE FOR BENEFITS	$ 1,628,004	$ 1,437,326

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

VARIOSYSTEMS, INC. 401(K) PROFIT SHARING PLAN & TRUST
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
Additions to net assets attributed to:		
Investment income:		
Net appreciation (depreciation) in fair value of investments	$ (58,029)	$ 122,381
Dividends	18,619	7,929
Interest on participant loans	4,948	4,200
Total Investment Income (Loss)	(34,462)	134,510
Contributions:		
Participant	289,501	266,647
Employer	72,083	60,450
Total Contributions	361,584	327,097
Total Additions	327,122	461,607
Deductions from net assets attributed to:		
Benefits paid to participants	128,309	97,500
Administrative expenses	8,135	4,170
Total Deductions	136,444	101,670
Net Increase in Net Assets Available for Benefits	190,678	359,937
Net Assets Available for Benefits:		
Beginning of Year	1,437,326	1,077,389
End of Year	$ 1,628,004	$ 1,437,326

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

NOTE 1 - DESCRIPTION OF PLAN

PLAN DESCRIPTION

The following description of the Variosystems, Inc. 401(k) Profit Sharing Plan & Trust (the "Plan") is provided as general information only. Participants should refer to the Plan document for complete information regarding the Plan's definitions, benefits, eligibility and other matters.

GENERAL

Effective January 1, 2003, Variosystems, Inc. (the Company) established the Variosystems, Inc. 401(k) Profit Sharing Plan & Trust, which is a defined contribution plan covering all eligible employees of the Company who have completed ninety days of service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

ADMINISTRATION, CUSTODIANSHIP AND TRUSTEE OF THE PLAN

The Company is the plan administrator and the trustee, Paychex, Inc. is the third party plan administrator and Merrill Lynch is the custodian of the Plan.

ELIGIBILITY

All employees, who meet annual age and hour requirements, are eligible to participate in the Plan. Employees may elect to enroll in the Plan on the first day of the month which coincides with or next follows their completion of 90 days of eligible service.

CONTRIBUTIONS

The Plan is a defined contribution plan to which participants may elect to defer a percentage of their compensation, as defined by the Plan, not to exceed the maximum contribution qualifying for tax deferral under the Internal Revenue Code. For the Plan years ended December 31, 2010 and 2009, the maximum contribution of $16,500 for each year, exclusive of allowable catch-up contributions of $5,500 for those aged 50 and above, per participant, qualifies for deferral of tax under the Internal Revenue Code. Rollover contributions are allowed by the Plan.

Matching contributions may be contributed, at the Company's discretion, to participants who are employed on the last day of the Plan year. Such matching contributions were made in an amount equal to fifty percent of the participant's elective deferral. Such matching contribution will not exceed 2% of eligible compensation for the years ended December 31, 2011 and 2010.

PARTICIPANT ACCOUNTS

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution, (b) the Company's matching contribution, (c) earnings, and (d) forfeitures of terminated participant's nonvested accounts, and is charged with an allocation of administrative expenses. Allocations are based on participant gross wages or account balances as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Participants are permitted to allocate their account balance and deferral contributions between several investment options and to change their investment elections at their own discretion.

VESTING

Participants are immediately vested in their deferral contributions and rollover contributions, plus actual earnings thereon. Participants become vested in company matching contributions, if any, over six years of service beginning with the second year of service and increasing by 20 percent each year thereafter as defined in the Plan.

NOTE 1 - DESCRIPTION OF PLAN - Continued

VESTING - Continued

Full 100 percent vesting may also be attained upon cessation of employment by reason of death, permanent disability or retirement. Participants who terminate prior to vesting in company matching contributions forfeit the right to receive that portion of their account attributable to such contributions. Amounts forfeited are allocated to the remaining participants as additional employer contributions in the Plan year in which the forfeiture occurs.

INVESTMENT OPTIONS

Upon enrollment in the Plan, a participant may direct the investment of all of their accounts in the funds selected in the Plan. Participants may change their investment options as often as they wish via the online system and other options provided by Paychex, Inc. and the Company.

PARTICIPANT LOANS

Participants shall be limited to one outstanding loan in any 12-month period. Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of: the greater of (1) or (2) below, reduced by any then outstanding loan balance:

(1) 47.5 percent of the Participant's vested account balance.

(2) $50,000.

Loan terms generally range from 1 to 4.5 years. The participant's loan is collateralized by the balance in the participant's account and bears interest at a rate commensurate with local prevailing rates as determined at the application date of the loan. Interest rates ranged from 4.25% to 9.25% at December 31, 2011 and 2010. Principal and interest are paid ratably through bi-weekly payroll deductions. Interest income is recorded on the accrual basis and shown as a component of changes in net assets available for benefits.

FORFEITURES

Forfeitures are used to offset administrative expenses paid by the Plan. During the years ended December 31, 2011 and 2010, 7,470 and 3,774, respectively, of forfeitures were used to offset Plan administrative expenses. As of December 31, 2011 and 2010, the forfeited non vested account balance was $112 and $4,755, respectively.

BENEFITS

On termination of service, death, disability, or retirement, a participant may elect from one of the many distribution options provided in the Plan, including a lump sum distribution of all of the participant's accounts.

WITHDRAWALS

A participant may withdraw all or a portion of deferral contributions under certain "hardship" conditions. Such hardship conditions include, but are not limited to, medical expenses, down payment on a principal residence or any payment of education expenses of the participant or their dependents.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the Plan are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, if any, and disclosure of contingent assets and liabilities, if any, at the dates of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

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. See Note 3 for discussion of fair value measurements.

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

FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. US GAAP also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

An asset or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its valuation.

Fair value estimates are made at a specific point in time, the methods described may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair value. Although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES - Continued

BENEFITS

Benefits paid to participants are recorded as a reduction of net assets available for benefits when paid.

ADMINISTRATIVE FEES

The plan sponsor pays certain administrative fees of the Plan.

RECENT ACCOUNTING STANDARDS

In May 2011, FASB issued Auditing Standards Update (ASU) NO. 2011-04, *Fair Value measurement (Topic 820): Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRS's.* The objective of this update is to improve the comparability of fair value measurements presented and disclosed in financial statement prepared in accordance with U.S. generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRSs), by changing the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and disclosing information about fair value measurements. The amendments include those that clarify FASB's intent about the application of existing fair value measurement and disclosure requirements and those that change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The ASU is effective for annual periods beginning after December 15, 2011. Application of this ASU is not expected to have a material impact on net assets or changes in net assets as the amendment generally applies to fair value disclosures.

NOTE 3 – INVESTMENTS

The following table presents the individual investments of the Plan at December 31, 2011 and 2010. Investments representing 5% or more of the Plan's net assets have been separately identified. All of the investments are participant directed.

Investments (At Fair Value)		2011		2010
Mutual Funds				
Blackrock International Fund		**$ 62,421**	*	$ 80,797
Blackrock Global Allocation Fund	*	**333,592**	*	284,815
Blackrock Fundamental Growth Fund	*	**118,981**	*	132,755
Blackrock Basic Value Fund	*	**101,520**	*	98,074
Blackrock Value Opportunities Fund	*	**171,700**	*	144,494
Blackrock Total Return Fund	*	**154,363**	*	88,297
Blackrock Large Cap Core Fund		**67,921**	*	84,447
Blackrock Large Cap Value Fund		**72,961**		64,911
Blackrock Government Income Portfolio		**-**	*	128,661
Blackrock Small Cap Growth Fund II	*	**89,608**	*	83,823
Blackrock Intermediate Government Bonds	*	**185,360**		-
Merrill Lynch Ready Assets Trust	*	**97,884**	*	123,666
Total Investments		**$ 1,456,311**		$ 1,314,740

* Denotes an investment that represents 5% or more of the Plan's net assets available for benefits.

NOTE 3 – INVESTMENTS – continued

The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year-end. As of December 31, 2011 and 2010, investments by fair value measurements are as follows:

December 31, 2011	Level 1	Level 2	Level 3	Fair Value
Bond funds	$ 339,723	$ -	$ -	$ 339,723
Equity funds	1,018,704	-	-	1,018,704
Money market funds	97,884	-	-	97,884
Total Investments	$ 1,456,311	$ -	$ -	$ 1,456,311

December 31, 2010	Level 1	Level 2	Level 3	Fair Value
Bond funds	$ 88,297	$ -	$ -	$ 88,297
Equity funds	974,116	-	-	974,116
Fixed income funds	128,661	-	-	128,661
Money market funds	123,666	-	-	123,666
Total Investments	$ 1,314,740	$ -	$ -	$ 1,314,740

NOTE 4 – TAX STATUS

The Plan is a prototype standardized profit sharing plan with CODA, with Paychex, Inc. and obtained its latest determination letter on March 31, 2008 in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes the Plan is currently being operated in compliance with the applicable requirement of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

GAAP requires plan management to evaluate tax positions taken by the plan and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

NOTE 5 – PLAN TERMINATION

The Plan has been established with the intention that it will continue to be a permanent plan. The Company has not expressed any intent to terminate the Plan; however, the Company reserves the right to terminate or amend the Plan at any time as permitted by ERISA. In the event of Plan termination, participants will automatically become 100 percent vested in their accounts.

NOTE 6 – RISKS AND UNCERTAINTIES

The Plan provides various mutual fund options for investing in any combination of stocks, bonds, fixed income securities and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of net assets available for benefits.

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events for adjustment or disclosure to the financial statements through October 4, 2011, which is the date that the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULE

VARIOSYSTEMS, INC. 401(K) PROFIT SHARING PLAN & TRUST
EIN 75-2793709 PLAN #001
FORM 5500, SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
DECEMBER 31, 2011

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
	BlackRock, Inc.	Blackrock International Fund		$ 62,421
	BlackRock, Inc.	Blackrock Small Cap Growth Fund II		89,608
	BlackRock, Inc.	Blackrock Global Allocation Fund		333,592
	BlackRock, Inc.	Blackrock Capital Appreciaiton Fund		118,981
	BlackRock, Inc.	Blackrock Basic Value Fund		101,520
	BlackRock, Inc.	Blackrock Value Opportunities Fund		171,700
	BlackRock, Inc.	Blackrock Total Return Fund		154,363
	BlackRock, Inc.	Blackrock Large Cap Core Fund		67,921
	BlackRock, Inc.	Blackrock Large Cap Value Fund		72,961
	BlackRock, Inc.	Blackrock Intermediate Government Bonds		185,360
*	Merrill Lynch	Merrill Lynch Ready Assets Trust		97,884
		Total investments		1,456,311
*	Participant loans	Participant loans; interest rates range from 4.25% to 9.25%		158,865
				$ 1,615,176

* A Party-in-interest as defined by ERISA.

Column (d) Cost is not required since all investments are participant directed.

See independent auditors' report.