

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 <u>DR TECHNOLOGIES, INC. 401(K) EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST</u>	1b Three-digit plan number (PN) ► <u>001</u> 1c Effective date of plan <u>02/09/1994</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>DR TECHNOLOGIES, INC.</u> <u>9431 DOWDY DRIVE</u> <u>SAN DIEGO, CA 92126</u>	2b Employer Identification Number (EIN) <u>33-0601418</u> 2c Sponsor's telephone number <u>858-587-4200</u> 2d Business code (see instructions) <u>541990</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	<u>Filed with authorized/valid electronic signature.</u>	<u>01/22/2013</u>	<u>RONALD MILLER</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") DR TECHNOLOGIES, INC. 9431 DOWDY DRIVE SAN DIEGO, CA 92126	3b Administrator's EIN 33-0601418 3c Administrator's telephone number 858-587-4200
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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
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5 Total number of participants at the beginning of the plan year	5	154
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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	128
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	29
d Subtotal. Add lines 6a , 6b , and 6c	6d	157
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	157
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	5

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2A 2E 2H 2J 2K 2O

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
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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) ☒ **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) ☐ 0 **A** (Insurance Information)
- (4) ☒ **C** (Service Provider Information)
- (5) ☐ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

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 DR TECHNOLOGIES, INC. 401(K) EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 DR TECHNOLOGIES, INC.	D Employer Identification Number (EIN) 33-0601418

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
FIDELITY INVESTMENTS

04-2647789

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

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

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

PMZ PENSION CORPORATION

95-3661896

(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?
10	PLAN ADMINISTRATOR	6800	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

FIDELITY INVESTMENTS

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 37 65	RECORDKEEPER	3465	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

BUTTERFIELD SCHECHTER

33-0829013

(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?
29	ATTORNEY/LEGAL	907	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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 DR TECHNOLOGIES, INC. 401(K) EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 DR TECHNOLOGIES, INC.	D Employer Identification Number (EIN) 33-0601418	

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)	0	5691
(2) Participant contributions	1b(2)		12775
(3) Other.....	1b(3)	0	2013
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	74382	7488
(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)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)	888097	929839
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	125633	39069
(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)	2932947	3228842
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	63824	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	28085	218741
(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	4112968	4444458

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		85513
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	85513

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	4112968	4358945
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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)	174557	
(B) Participants	2a(1)(B)	511549	
(C) Others (including rollovers)	2a(1)(C)	2013	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		688119

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	47	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	11221	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		11268

(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	63874	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		63874

(3) Rents	2b(3)		0
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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)	232379	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		232379
(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)		-115303
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		880337

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	537673	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		537673
f Corrective distributions (see instructions)	2f		85513
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	6800	
(3) Investment advisory and management fees	2i(3)	4374	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		11174
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		634360

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		245977
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: MATRANGA & COMPANY, CPAS

(2) EIN: 20-1147648

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.).....	☒	☐	117200
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.).....	☐	☒	
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.)	☐	☒	
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.).....	☐	☒	
e Was this plan covered by a fidelity bond?.....	☒	☐	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?	☐	☒	
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?	☐	☒	
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?	☐	☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	☒	☐	
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.).....	☐	☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....	☐	☒	
l Has the plan failed to provide any benefit when due under the plan?	☐	☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....	☐	☒	
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.	☐	☐	

- 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)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>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).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2011</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan DR TECHNOLOGIES, INC. 401(K) EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 DR TECHNOLOGIES, INC.		D Employer Identification Number (EIN) 33-0601418
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): _____ 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)	
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		
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.		
Schedule R (Form 5500) 2011 v.012611		

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): _____

**DR TECHNOLOGIES INC
401(K) EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

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Matranga & Company
An Accountancy Corporation

INDEPENDENT AUDITORS' REPORT

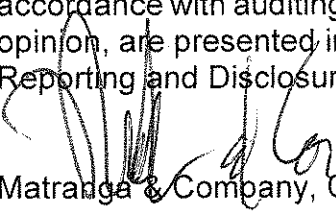
To the Administrative Committee of
DR Technologies Inc 401(K) Employee Stock Ownership Plan & Trust
San Diego, California

We were engaged to audit the accompanying statements of net assets available for Plan benefits of DR Technologies Inc 401(K) Employee Stock Ownership Plan & Trust (the "Plan") as of December 31, 2011 and the related statement of changes in net assets available for Plan benefits and supplemental schedules for the year then ended. These financial statements and schedules are the responsibility of the Plan's management.

We have compiled the statement of net assets available for Plan benefits of DR Technologies Inc 401(K) Employee Stock Ownership Plan & Trust (the "Plan") as of December 31, 2010. A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or any other form of assurance on it.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform any auditing procedures with respect to the information summarized in Note 8, which was certified by the custodian of the plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. 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 and for the years ended December 31, 2011 and 2010, 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 schedules taken as a whole. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.


Matranga & Company, CPA's

San Diego, California
November 16, 2012

DR TECHNOLOGIES INC 401(k) EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
DECEMBER 31, 2011 AND 2010

	2011	(Unaudited) 2010
ASSETS:		
Investments, at fair value:		
Mutual Funds:		
Value Fund	\$ 279,560	\$ 277,482
Freedom 2040	244,735	233,449
ContraFund	228,544	231,314
Investment Grade Bond	215,402	149,459
Puritan Fund	197,260	174,200
Mid Cap Stock	176,845	141,372
Diversified International	173,803	141,373
Freedom 2010	145,237	144,154
Intermediate Bond	127,817	157,161
Equity Income Fund	100,844	90,912
Freedom 2020	85,705	70,629
Growth Company	82,590	64,826
Blue Chip Growth	76,211	129,408
Exp & MultiNational	67,356	51,643
Small Cap Value	60,226	91,039
Total Market Index	55,766	32,930
Large Cap Stock	54,949	46,709
Freedom Income	53,016	42,938
Fidelity Fund	44,324	2,653
Extended Market Index	32,832	14,108
Equity Income II Fund	24,300	23,320
Growth Strategies	23,534	11,191
Freedom 2045	31,968	27,788
Overseas Fund	31,354	14,450
Fifty Fund	26,506	21,783
Dividend Growth	25,529	8,265
OTC Portfolio Fund	21,571	13,742
Freedom 2030	21,427	26,073
Real Estate Investment Fund	15,507	67,550
Freedom 2035	13,206	0
Freedom 2025	7,345	0
Freedom 2000	547	308
Freedom 2005	546	315
Total mutual funds	2,746,362	2,502,544

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

DR TECHNOLOGIES INC 401(k) EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS (CONT.)
DECEMBER 31, 2011 AND 2010

	2011	(Unaudited) 2010
Retirement Money Market	482,480	430,401
Annuities	0	63,824
Employer Securities- Common Stock	218,741	28,085
Uninvested Cash	7,488	74,382
Investment in Partnership	929,839	888,097
Notes receivable from participants	39,069	125,633
Employee contributions receivable	12,775	0
Employer contributions receivable	5,691	0
Other contributions receivable	2,013	0
Total assets	<u>\$ 4,444,458</u>	<u>\$ 4,112,966</u>
LIABILITIES:		
Corrective distributions payable	<u>\$ (85,513)</u>	<u>\$ 0</u>
Net assets available for Plan benefits	<u><u>\$ 4,358,945</u></u>	<u><u>\$ 4,112,966</u></u>

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

DR TECHNOLOGIES INC 401(k) EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>
Additions to net assets attributed to:	
Investment income:	
Interest	\$ 47
Interest-note receivable from participants	11,221
Dividends-mutual funds	63,874
Unrealized gain(loss)-investments	<u>117,076</u>
Total investment gain(loss)	<u>192,218</u>
Contributions:	
Employee contributions	511,549
Employer contributions	174,557
Rollovers/other contributions	<u>2,013</u>
Total contributions	<u>688,119</u>
Total additions	<u>880,337</u>
Deductions:	
Deductions from net assets attributed to:	
Benefit withdrawals paid	(623,186)
Administration fees	<u>(11,174)</u>
Total deductions	<u>(634,360)</u>
Increase in net assets available for Plan benefits	245,977
Net assets available for Plan benefits, beginning of year	<u>4,112,968</u>
Net assets available for Plan benefits, end of year	<u><u>\$ 4,358,945</u></u>

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

DR TECHNOLOGIES INC 401(k) EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 1 - DESCRIPTION OF PLAN

The following description of the DR Technologies Inc 401(k) Employee Stock Ownership Plan & Trust (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

Effective February 9, 1994, DR Technologies Inc (the "Company" or "Employer") established and adopted the DR Technologies Profit Sharing Plan for its employees. The profit sharing plan was amended and restated as the DR Technologies Inc 401(k) Employee Stock Ownership Plan and Trust with an effective date of January 1, 2002 with respect to the prior profit sharing plan and January 1, 2004 with respect to the 401(k) ESOP. The Plan is a defined contribution 401(k) savings plan covering substantially all employees who have attained 21 years of age and have completed six consecutive months of service for the 401(k) portion of the Plan and twelve consecutive months of service and 1,000 hours of service for the ESOP portion of the Plan, and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan is administered by an Administrative Committee consisting of one or more persons appointed by the Board of Directors of the Company.

Contributions

Under the terms of the Plan, participants may elect to defer a percentage of their regular earnings from the Company into the Plan. Such salary reduction contributions on a pre-tax basis shall not exceed the maximum Internal Revenue Service ("IRS") dollar limit of \$16,500 in 2011 and 2010. Additionally, participants who will be at least age 50 by the end of the tax year may make an additional "catch up" contribution of \$5,500 in 2011 and 2010. Participants may also contribute rollover distributions from other qualified plans.

The Company may on a discretionary basis make matching contributions on behalf of all participants. The Company may also make an additional contribution to the Plan in an amount determined by the Board of Directors. This additional contribution will be allocated to the participants as part of the ESOP portion of the Plan. For the years ended December 31, 2011 and 2010, the Company made \$174,557 and \$26,359 in matching contributions, respectively. Contributions are subject to certain limitations under IRS regulations.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contributions, and (b) the Plan earnings or losses. Allocations are based on participant earnings or losses or account balances, as defined. Forfeited balances of terminated participants' non-vested accounts are used to reduce future Company contributions. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

See independent auditors report.

DR TECHNOLOGIES INC 401(k) EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

Vesting

Participants are immediately 100% vested in their voluntary contributions plus actual earnings thereon.

Vesting (Cont.)

The matching and discretionary employer contributions, of a participant shall vest subject to the following vesting schedule:

<u>Vesting Years Of Service</u>	<u>Vested Percentage</u>
Less than 1	0%
1 but less than 2	33.3%
2 but less than 3	66.7%
3 years or more	100%

Participant Loans

Participants may borrow from their fund accounts up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan transactions are treated as a transfer to (from) an investment fund from (to) the Participant Loan fund. Loan terms range from 1-5 years unless the Participant certifies in writing to the Committee that the proceeds of the loan will be applied to acquire the Participant's principal residence. The loans are secured by the balance in the participant's account and bear interest at a rate equal to the prevailing interest rate charged by persons in the business of lending money for loans made under similar circumstances. Principal and interest are paid ratably through payroll deductions.

Administrative Expenses

The employer is authorized to reimburse the Plan for all expenses and fees incurred in the administration of the Plan and paid out of the assets of the fund. During 2011 and 2010 the plan expenses were \$11,174 and \$2,344, respectively.

Termination or Modification of the Plan

The Company has the right under the Plan to suspend, modify or discontinue contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event the Plan is terminated, all participants will become 100% vested in their accounts.

See independent auditors report.

DR TECHNOLOGIES INC 401(k) EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the Plan have been prepared on the accrual method of accounting and present the net assets available for Plan benefits at December 31, 2011 and 2010 and changes in net assets available for Plan benefits for the years ended December 31, 2011 and 2010.

Use of Estimates

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

Valuation of Investments and Income Recognition

The Plan's investments are stated at fair value. If available, quoted market prices are used to value investments. Shares of registered investment companies are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. Participant loans receivable are valued at cost which approximate current value. See note 6 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.

Forfeitures

Upon termination of service, a participant forfeits any nonvested Company contributions. Forfeitures of nonvested participant account balances can be used to reduce the Company's contributions. Forfeitures were \$0 and \$0 for the years ended December 31, 2011 and 2010, respectively.

Benefit Withdrawals Paid

Benefits are recorded when paid. For the years ended December 31, 2011 and 2010, the Plan reported distributions of \$623,186 and \$330,010 of which \$85,513 and \$0 were corrective distributions, respectively.

See independent auditors report.

DR TECHNOLOGIES INC 401(k) EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 3 - INCOME TAX STATUS

The Internal Revenue Service has determined the Plan and related trust is designed in accordance with applicable sections of the Internal Revenue Code. Although the plan has been amended since receiving the determination letter, the plan administrator believe that the plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code and therefore believe that the plan is qualified and the related trust is tax exempt.

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

NOTE 4 - ADMINISTRATION OF PLAN ASSETS

The Plan's assets are held by the trustees of the Plan consisting of one or more persons appointed by the Board of Directors of the Company. At December 31, 2011 and 2010, the assets of the 401(k) portion of the Plan were administered under Custodian Agreement with Fidelity Investments. The Custodian Agreements require that the custodian hold, administer and distribute the funds of the Plan in accordance with the text of the Plan and instructions of the trustees.

NOTE 5 – INVESTMENTS

The following investments represent 5% or more of the net assets available for Plan benefits at December 31, 2011 and 2010:

	<u>2011</u>
a Investment in Partnership	\$ 929,839
Retirement Money Market	482,480
Value Fund	279,560
Freedom 2040	244,735
ContraFund	228,544
a Employer Securities	218,741

a=non participant directed

See independent auditors report.

DR TECHNOLOGIES INC 401(k) EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 5 – INVESTMENTS (Cont.)

	(Unaudited) 2010
a Investment in Partnership	\$ 888,097
Retirement Money Market	430,401
Value Fund	277,482
Freedom 2040	233,449
ContraFund	231,314

a=non participant directed

NOTE 6 – FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

See independent auditors report.

DR TECHNOLOGIES INC 401(k) EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 6 – FAIR VALUE MEASUREMENTS (Cont.)

Following is a description of the valuation methodologies used for assets measured at fair value.

Common stocks, corporate bonds and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

Employer securities: The fair value of the Company stock was determined by an independent appraisal. This appraisal was based on a combination of the market and income valuation approaches. The appraiser took into account historical and projected cash flow and net earnings, weighted average cost of capital, market comparables and applicable discounts and premiums.

Investment in Partnership: Valued at the amount in the Partners capital account at year end.

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

As required by FASB ASC 820-10, at December 31, 2011 and 2010, the Plan's portfolio investments were classified as follows, based on fair values:

		<u>December 31, 2011</u>		
<u>Input levels by investment category:</u>				
<u>Investment category</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Mutual Funds	\$ 2,403,143	\$ 2,403,143	\$ 0	\$ 0
Bond Funds	343,219	343,219	0	0
Money Market	482,480	482,480	0	0
Employer Securities	218,741	0	0	218,741
Investment in Partnership	929,839	0	0	929,839
Total	<u>\$ 4,377,422</u>	<u>\$ 3,228,842</u>	<u>\$ 0</u>	<u>\$ 1,148,580</u>

See independent auditors report.

DR TECHNOLOGIES INC 401(k) EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 6 – FAIR VALUE MEASUREMENTS (Cont.)

(Unaudited)
December 31, 2010

Input levels by investment category:

Investment category	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Mutual Funds	\$ 2,195,926	\$ 2,195,926	\$ 0	\$ 0
Bond Funds	306,620	306,620	0	0
Money Market	430,401	430,401	0	0
Employer Securities	28,085	0	0	28,085
Investment in Partnership	888,097	0	0	888,097
Annuities	63,824	0	0	63,824
Total	<u>\$ 3,912,953</u>	<u>\$ 2,932,947</u>	<u>\$ 0</u>	<u>\$ 980,006</u>

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation in fair value of investments in the Statement of Changes in Net Assets Available for Benefits.

As required by FASB ASC 820-10, the following table presents a reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3):

Effect of level 3 inputs on net assets or liabilities: December 31, 2011

Investment category	Beginning Balance	Total Gains or Losses	Interest Credited	Purchases, Issuances, Settlements	Ending Balance	Unrealized Gains or Losses
Employer Securities	\$ 28,085	\$ 190,656	\$ 0	\$ 0	\$ 218,741	\$ 0
Investment in Partnership	888,097	41,742	0	0	929,839	0
Annuities	63,824	19	0	(63,843)	0	0
Total	<u>\$ 980,006</u>	<u>\$ 232,417</u>	<u>\$ 0</u>	<u>\$ (63,843)</u>	<u>\$ 1,148,580</u>	<u>\$ 0</u>

See independent auditors report.

DR TECHNOLOGIES INC 401(k) EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 6 – FAIR VALUE MEASUREMENTS (Cont.)

		(Unaudited)				
<u>Effect of level 3 inputs on net assets or liabilities:</u>		<u>December 31, 2010</u>				
Investment category	Beginning Balance	Total Gains or Losses	Interest Credited	Purchases, Issuances, Settlements	Ending Balance	Unrealized Gains or Losses
Employer Securities	\$ 13,502	\$ 14,583	\$ 0	\$ 0	\$ 28,085	\$ 0
Investment in Partnership	844,456	43,641	0	0	888,097	0
Annuities	93,799	(29,975)	0	0	63,824	0
Total	<u>\$ 951,757</u>	<u>\$ -28,249</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 980,006</u>	<u>\$ 0</u>

NOTE 7 - PENDING DISTRIBUTIONS

There were \$85,513 and \$0 corrective distributions pending at December 31, 2011 and 2010, respectively.

NOTE 8 – INFORMATION PREPARED AND CERTIFIED BY CUSTODIAN

The following information included in the accompanying financial statements and supplemental schedules was obtained from data that has been prepared and certified to as complete and accurate by the custodian.

	2011	(Unaudited) 2010
Investments, at fair value:		
Mutual funds	\$ 2,746,362	2,502,545
Retirement Money Market	482,480	430,401
Notes receivable from participants	39,069	125,633
Investment income (loss)	(48,443)	342,586

NOTE 9 - RISKS AND UNCERTAINTIES

Through the date of this report, major United States equity markets have experienced severe volatility which may result in significant variance in current Plan asset values.

See independent auditors report.

DR TECHNOLOGIES INC 401(k) EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 10– NON-PARTICIPANT DIRECTED INVESTMENTS

Information about the net assets and the significant components of the changes in net assets relating to the non-participant directed investments as follows:

	<u>2011</u>	<u>(Unaudited) 2010</u>
Net Assets:		
Annuities	\$ 0	\$ 63,824
Employer Securities- Common Stock	218,741	28,085
Uninvested Cash	7,488	74,382
Investment in Partnership	929,839	888,097
	<u>\$ 1,156,068</u>	<u>\$ 1,054,388</u>
		<u>Year Ended 12/31/11</u>
Changes in Net Assets:		
Contributions		\$ 0
Loan repayments		69,058
Interest & dividends		7,496
Net gain		232,379
Benefits paid to participants		(207,253)
Forfeitures		0
Loan issuances		0
Transfers to participant directed investments		0
Net change in non-participant directed investments		<u>\$ 101,680</u>

NOTE 11 – RECONCILIATION OF THE FINANCIAL STATEMENTS TO THE 5500

	<u>2011</u>	<u>(Unaudited) 2010</u>
Net assets available for Plan benefits per the the financial statements	\$ 4,444,458	\$ 4,112,968
Corrective distributions payable	<u>(85,513)</u>	<u>0</u>
Net assets available for Plan benefits per Schedule H of Form 5500	<u>\$ 4,358,945</u>	<u>\$ 4,112,968</u>

See independent auditors report.

DR TECHNOLOGIES INC 401(k) EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 12 – PARTY IN INTEREST TRANSACTION

The Plan's custodians Fidelity Investments, and DR Technologies Inc are parties in interest in accordance with the definition provided by ERISA. During the years ended December 31, 2011 and 2010, fees totaling \$3,465 and \$2,344, respectively, were paid by the Plan to Fidelity Investments.

NOTE 13 – DATE OF MANAGEMENT EVALUATION

Management has evaluated subsequent events through November 16, 2012, the date on which the financial statements were available to be issued.

See independent auditors report.

SUPPLEMENTARY INFORMATION

DR TECHNOLOGIES INC 401(k) EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
 SCHEDULE H, LINE a SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
 DECEMBER 31, 2011

Schedule H Line 4a—Schedule of Delinquent Participant Contributions

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
Check here if Late Participant Loan Repayments are included:				
\$117,200		\$117,200		

See Independent Auditors' Report.

DR TECHNOLOGIES INC 401(k) EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
SCHEDULE H, LINE a SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
DECEMBER 31, 2011

Plan Sponsor's Name:
Plan Name:
Employer Identification Number:
Plan Number:

DR Technologies Inc
DR Technologies, Inc 401(k) ESOP & Trust
33-0601418
1

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	Cost	Current value
*	Fidelity Investments	Value Fund	279,560	279,560
*	Fidelity Investments	Freedom 2040	244,735	244,735
*	Fidelity Investments	ContraFund	228,544	228,544
*	Fidelity Investments	Investment Grade Bond	215,402	215,402
*	Fidelity Investments	Puritan Fund	197,260	197,260
*	Fidelity Investments	Mid Cap Stock	176,845	176,845
*	Fidelity Investments	Diversified International	173,803	173,803
*	Fidelity Investments	Freedom 2010	145,237	145,237
*	Fidelity Investments	Intermediate Bond	127,817	127,817
*	Fidelity Investments	Equity Income Fund	100,844	100,844
*	Fidelity Investments	Freedom 2020	85,705	85,705
*	Fidelity Investments	Growth Company	82,590	82,590
*	Fidelity Investments	Blue Chip Growth	76,211	76,211
*	Fidelity Investments	Exp & MultiNational	67,356	67,356
*	Fidelity Investments	Small Cap Value	60,226	60,226
*	Fidelity Investments	Total Market Index	55,766	55,766
*	Fidelity Investments	Large Cap Stock	54,949	54,949
*	Fidelity Investments	Freedom Income	53,016	53,016
*	Fidelity Investments	Fidelity Fund	44,324	44,324
*	Fidelity Investments	Extended Market Index	32,832	32,832
*	Fidelity Investments	Equity Income II Fund	24,300	24,300

See Independent Auditors' Report.

DR TECHNOLOGIES INC 401(k) EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
SCHEDULE H, LINE i SCHEDULE OF ASSETS HELD AT END OF PLAN YEAR (Continued)
DECEMBER 31, 2011

Plan Sponsor's Name:
Plan Name:
Employer Identification Number:
Plan Number:

DR Technologies Inc
DR Technologies, Inc 401(k) ESOP & Trust
33-0601418
1

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	Cost	Current value
*	Fidelity Investments	Growth Strategies	23,534	23,534
*	Fidelity Investments	Freedom 2045	31,968	31,968
*	Fidelity Investments	Overseas Fund	31,354	31,354
*	Fidelity Investments	Fifty Fund	26,506	26,506
*	Fidelity Investments	Dividend Growth	25,529	25,529
*	Fidelity Investments	OTC Portfolio Fund	21,571	21,571
*	Fidelity Investments	Freedom 2030	21,427	21,427
*	Fidelity Investments	Real Estate Investment Fund	15,507	15,507
*	Fidelity Investments	Freedom 2035	13,206	13,206
*	Fidelity Investments	Freedom 2025	7,345	7,345
*	Fidelity Investments	Freedom 2000	547	547
*	Fidelity Investments	Freedom 2005	546	546
*	Fidelity Investments	Retirement Money Market	482,480	482,480
*	DR Technologies, Inc	Employer Securities- Common Stock	218,741	218,741
*	Dunbar Farms, LP	Investment in Partnership	929,839	929,839
	Notes receivable from participants	Interest Rates are 6.00%	-	39,069

See Independent Auditors' Report.

DR TECHNOLOGIES INC 401(k) EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
SCHEDULE H LINE 4j SCHEDULE OF REPORTABLE TRANSACTIONS
DECEMBER 31, 2011

Plan Sponsor's Name:	DR Technologies Inc
Plan Name:	DR Technologies, Inc 401(k) ESOP & Trust
Employer Identification Number:	33-0601418
Plan Number:	1

See attached for Reportable Transactions
during the Plan Year Ending December 31, 2011.

See Independent Auditors' Report.

DR TECHNOLOGIES INC 401(k) EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
SCHEDULE H, LINE a SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
DECEMBER 31, 2011

Plan Sponsor's Name:
Plan Name:
Employer Identification Number:
Plan Number:

DR Technologies Inc
DR Technologies, Inc 401(k) ESOP & Trust
33-0601418
1

(a)	(b)	(c)	(d)	(e)
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*	Fidelity Investments	Equity Income II Fund	24,300	24,300

See Independent Auditors' Report.

DR TECHNOLOGIES INC 401(k) EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
SCHEDULE H, LINE i SCHEDULE OF ASSETS HELD AT END OF PLAN YEAR (Continued)
DECEMBER 31, 2011

Plan Sponsor's Name:
Plan Name:
Employer Identification Number:
Plan Number:

DR Technologies Inc
DR Technologies, Inc 401(k) ESOP & Trust
33-0601418
1

(a)	(b)	(c)	(d)	(e)
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*	Fidelity Investments	Freedom 2005	546	546
*	Fidelity Investments	Retirement Money Market	482,480	482,480
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