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

2012

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
PALO ALTO RESEARCH CENTER 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 05/01/2002

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

PALO ALTO RESEARCH CENTER

3333 COYOTE HILL ROAD
PALO ALTO, CA 94304

2b Employer Identification Number (EIN) 06-1568182

2c Sponsor's telephone number 650-812-4024

2d Business code (see instructions) 541700

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.	08/27/2013	JOHN PAUKSTA
	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

Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)

Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address

PALO ALTO RESEARCH CENTER

3333 COYOTE HILL ROAD
PALO ALTO, CA 94304

3b Administrator's EIN
06-1568182

3c Administrator's telephone number
650-812-4024

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**	408
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**	208
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	155
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	363
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	363
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	363
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 Characteristics Codes in the instructions:
2E 2T 2G 2J 2K 2R 3D 3H

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

9a Plan funding arrangement (check all that apply)

(1)	X	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)	X	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)	X	1	**A** (Insurance Information)
(4)	X		**C** (Service Provider Information)
(5)	X		**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance 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.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

2012

This Form is Open to Public Inspection

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan
PALO ALTO RESEARCH CENTER 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PALO ALTO RESEARCH CENTER

D Employer Identification Number (EIN)
06-1568182

Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions

Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier

PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

(b) EIN	**(c)** NAIC code	**(d)** Contract or identification number	**(e)** Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	**(g)** To
06-1050034	93629	40461	363	01/01/2012	12/31/2012

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	**(b)** Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

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(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	6426220
5	Current value of plan's interest under this contract in separate accounts at year end	5	856022

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity (3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee (3) ☐ guaranteed investment (4) ☒ other ▶ GUARANTEED GENERAL ACCOUNT CONTRACT

b	Balance at the end of the previous year			7b	7117281
c	Additions: (1) Contributions deposited during the year	7c(1)	543711		
	(2) Dividends and credits	7c(2)			
	(3) Interest credited during the year	7c(3)	167850		
	(4) Transferred from separate account	7c(4)			
	(5) Other (specify below)	7c(5)	862061		
	▶ LOAN REPAYMENTS TRANSFERS IN MISC IN, FORFEITURE CREDITS				
	(6) Total additions			7c(6)	1573622
d	Total of balance and additions (add lines **7b** and **7c(6)**).			7d	8690903
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	1438656		
	(2) Administration charge made by carrier	7e(2)	19		
	(3) Transferred to separate account	7e(3)	210		
	(4) Other (specify below)	7e(4)	825798		
	▶ LOAN INITIATIONS TRANSFERS OUT MISCELLANEOUS OUT				
	(5) Total deductions			7e(5)	2264683
f	Balance at the end of the current year (subtract line **7e(5)** from line **7d**)			7f	6426220

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

a ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance

e ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug

i ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract

m ☐ Other (specify) ▶

9 Experience-rated contracts:				
a Premiums: (1) Amount received	**9a(1)**			
(2) Increase (decrease) in amount due but unpaid	**9a(2)**			
(3) Increase (decrease) in unearned premium reserve	**9a(3)**			
(4) Earned (**(1)** + **(2)** - **(3)**)			**9a(4)**	
b Benefit charges (1) Claims paid	**9b(1)**			
(2) Increase (decrease) in claim reserves	**9b(2)**			
(3) Incurred claims (add **(1)** and **(2)**)			**9b(3)**	
(4) Claims charged			**9b(4)**	
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	**9c(1)(A)**			
(B) Administrative service or other fees	**9c(1)(B)**			
(C) Other specific acquisition costs	**9c(1)(C)**			
(D) Other expenses	**9c(1)(D)**			
(E) Taxes	**9c(1)(E)**			
(F) Charges for risks or other contingencies	**9c(1)(F)**			
(G) Other retention charges	**9c(1)(G)**			
(H) Total retention			**9c(1)(H)**	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			**9c(2)**	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			**9d(1)**	
(2) Claim reserves			**9d(2)**	
(3) Other reserves			**9d(3)**	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line **9c(2)**.)			**9e**	
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			**10a**	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.			**10b**	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

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.**	**2012** **This Form is Open to Public Inspection.**

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan
PALO ALTO RESEARCH CENTER 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PALO ALTO RESEARCH CENTER

D Employer Identification Number (EIN)
06-1568182

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

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

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

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

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

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

TRANSAMERICA FINANCIAL ADVISORS

95-2565208

(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?
27	NONE	73070	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

FINANCIAL NETWORK INVESTMENTS CORP

95-3845382

(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?
27	NONE	33725	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

FRANK, RIMERMAN & CO., LLP

94-1341042

(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	NONE	10000	Yes [ ] No [X]	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)

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(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?
13 15 37 50 64	NONE	2550	Yes [ ] No [X]	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
THE PRUDENTIAL INSURANCE COMPANY OF	61 72	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PRUDENTIAL INVESTMENTS, LLC 22-3468527	27.000 BPS AND $0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2012 TO 12/31/2012 PRU JENN MD CP GRW A

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
THE PRUDENTIAL INSURANCE COMPANY OF	61 72	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PRUDENTIAL INVESTMENTS, LLC 22-3468527	27.000 BPS AND $0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2012 TO 12/31/2012 PRU JENN NAT RESOURCES A

(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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan 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

2012

This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan
PALO ALTO RESEARCH CENTER 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
PALO ALTO RESEARCH CENTER

D Employer Identification Number (EIN)
06-1568182

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: PRU IFX TGT EASYPATH BAL

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
06-1050034-697	P	856023

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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

2012

This Form is Open to Public Inspection

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan
PALO ALTO RESEARCH CENTER 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PALO ALTO RESEARCH CENTER

D Employer Identification Number (EIN)
06-1568182

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	95	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	209057	247991
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)	647875	856023
(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)	47473870	50541913
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	7117281	6426220
(15) Other	1c(15)	233743	222030

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	197095	129600
(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	55879016	58423777
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	55879016	58423777

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)	823048	
(B) Participants	2a(1)(B)	2888331	
(C) Others (including rollovers)	2a(1)(C)	334007	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		4045386
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	11647	
(F) Other	2b(1)(F)	167850	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		179497
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	3583	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	845692	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		849275
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	50210	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	102280	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		-52070
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	31203	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		31203

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		71669
(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)		5293103
c Other income	2c		120005
d Total income. Add all **income** amounts in column (b) and enter total	2d		10538068
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	7903713	
(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)		7903713
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		-30328
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	119922	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		119922
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		7993307
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		2544761
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)** [X] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: FRANK, RIMERMAN & CO LLP **(2)** EIN: 94-1341042

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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 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	

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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)

Part V Trust Information (optional)

6a Name of trust	**6b** Trust's EIN

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

2012

This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan
PALO ALTO RESEARCH CENTER 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PALO ALTO RESEARCH CENTER

D Employer Identification Number (EIN)
06-1568182

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): 22-1211670

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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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 lines (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 line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Frank, Rimerman + Co. LLP

Mr. John Pauksta
Plan Administrator
Palo Alto Research Center 401(k) Plan
Palo Alto, California

Certified
Public
Accountants

Palo Alto
San Francisco
San Jose
St. Helena
New York

We have conducted a Department of Labor (DOL) limited-scope audit of the financial statements of Palo Alto Research Center 401(k) Plan (the Plan) as of and for the year ended December 31, 2012, and have issued our report thereon dated December 31, 2012. As permitted by 29 CR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information prepared and certified by Prudential Bank and Trust, F.S.B., the Plan's trustee, which is summarized in Note 3 to those financial statements. Because of the significance of the information that we did not audit, we are unable to, and have not, expressed an opinion on those financial statements taken as a whole. We did, however, audit the form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Plan trustee, in accordance with auditing standards generally accepted in the United States of America and found them to be presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Professional standards require that we provide those charged with governance with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our arrangement letter to you dated June 12, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Plan are described in note two to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year.

We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

***Qualitative Aspects of Accounting Practices* (continued)**

Accounting estimates are an integral part of the financial statements preparation by management based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements relate to the valuation of the Plan's investments. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements noted during the audit.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management or third-party providers in performing our audit.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 21, 2013.

Independence of Outside Auditors

Professional standards require outside auditors to be independent, in fact and in appearance, from the entities they audit. To the best of our knowledge, there are no circumstances or relationships between the Plan or Plan sponsor and Frank, Rimerman + Co. LLP that would impair our independence in reporting on the Plan's financial statements.

Consultations with Other Independent Accountants

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

Issues Discussed Prior to Retention of Independent Auditors

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

This information is intended solely for the use of the Plan Administrator, Plan sponsor and management of the Palo Alto Research Center 401(k) Plan, is not intended to be, and should not be used by anyone other than these specified parties.

We would like to take this opportunity to thank Plan personnel for their assistance during our audit.

Frank, Rimerman + Co. LLP

August 21, 2013

Palo Alto Research Center 401(k) Plan

Financial Statements and Supplemental Schedule with Independent Auditors' Report

December 31, 2012 and 2011

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Frank, Rimerman + Co. LLP

Plan Administrator
Palo Alto Research Center 401(k) Plan
Palo Alto, California

Certified
Public
Accountants

INDEPENDENT AUDITORS' REPORT

Palo Alto
San Francisco
San Jose
St. Helena
New York

We were engaged to audit the accompanying financial statements of the Palo Alto Research Center 401(k) Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Prudential Bank & Trust, F.S.B. (Prudential), the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that Prudential holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from Prudential as of December 31, 2012 and 2011 and for the year ended December 31, 2012, that the information provided to the Plan administrator by Prudential is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule as of December 31, 2012, listed in the accompanying table of contents, is the responsibility of Plan management. The schedule is presented for the purpose of additional analysis and is not a required part of the financial statements, but is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, it is inappropriate to, and we do not, express an opinion on the supplemental schedule.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by Prudential, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Frank, Rimerman + Co. LLP

Palo Alto, California
August 21, 2013

Palo Alto Research Center 401(k) Plan
Statements of Net Assets Available for Benefits

	December 31, 2012	December 31, 2011
Assets		
Investments, at fair value:		
Mutual funds	$ 50,541,914	$ 47,473,870
Guaranteed income fund	6,426,220	7,117,281
Pooled separate account	856,023	647,875
Participant-managed accounts	222,030	233,743
Corporate stock	129,600	197,095
Total investments	58,175,787	55,669,864
Notes receivable from participants	247,991	209,057
Employer contribution receivable	196,719	213,341
Non-interest bearing cash	-	95
Net Assets Available for Benefits	$ 58,620,497	$ 56,092,357

See Independent Auditors' Report and Notes to Financial Statements

Palo Alto Research Center 401(k) Plan
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2012

Additions to Net Assets	
Investment income:	
Net appreciation in fair value of investments	$ 4,846,196
Interest and dividends	1,646,487
Total investment income	6,492,683
Contributions:	
Participant	2,888,331
Participant rollovers	334,007
Employer matching	806,426
Total contributions	4,028,764
Payment of loan previously deemed a distribution	30,328
Total additions	10,551,775
Deductions from Net Assets	
Benefits paid to participants	7,903,713
Administrative expenses	119,922
Total deductions	8,023,635
Net Increase	2,528,140
Net Assets Available for Benefits	
December 31, 2011	56,092,357
December 31, 2012	$ 58,620,497

See Independent Auditors' Report and Notes to Financial Statements

1. Description of the Plan

Palo Alto Research Center Inc. (the Company) established the Palo Alto Research Center 401(k) Plan (the Plan), effective May 1, 2002, to provide participants with a method to fund their retirement on a tax-deferred basis. The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General:

The Plan is a defined contribution plan under Section 401(k) and related provisions of the Internal Revenue Code (the Code). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Company is the Plan sponsor and Plan administrator. Prudential Bank & Trust, F.S.B. (Prudential) is the Plan trustee and Prudential Retirement Services is the Plan record keeper. Prudential holds, invests and reinvests trust assets in the interest and at the direction of the participants and their beneficiaries.

Participants may choose to invest their account balances in a variety of investment options offered by the Plan that are designed to provide a full range of investment options, or in a participant-managed individual brokerage account with Prudential. An individual brokerage account allows a participant to invest in and manage a broader range of investments, including equity securities traded on the major U.S. stock exchanges, fixed-income securities, guaranteed income funds and mutual funds. Participants are charged an annual fee plus commissions on these brokerage accounts. A participant may change his or her choice of investment at any time.

Xerox Corporation (Xerox) common stock was transferred into the Plan from a previous employer-sponsored benefit plan on behalf of certain participants and is not a current investment option offered by the Plan. Xerox is the Company's parent company.

Eligible Participants:

Employees, as defined by the Plan, may contribute to the Plan immediately upon hire by the Company.

1. Description of the Plan (continued)

Contributions:

Participants may contribute a percentage of their pre-tax annual compensation up to 50% of eligible compensation (as defined by the Plan). Participants that have reached the age of 50 may also elect to make additional catch-up contributions under the Code. In addition, the Plan allows participants to make additional after-tax contributions to the Plan. Participants may also contribute amounts representing distributions from other qualified defined contribution or defined benefit plans (rollovers).

The Company may make discretionary matching and profit-sharing contributions to the Plan. The Company made matching contributions of $806,426 to the Plan in 2012. Contributions are subject to certain limitations under the Code.

Participant Accounts:

Participant accounts are credited with participant contributions, Company matching contributions, and an allocation of Company profit-sharing contributions and Plan earnings or losses. Allocations are based on participant earnings or account balances, in accordance with Plan provisions. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Vesting:

Participants are fully (100%) vested in their account balances, including any discretionary matching and profit-sharing contributions made by the Company.

Notes Receivable from Participants:

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

1. Description of the Plan (continued)

Notes Receivable from Participants: (continued)

Participants may borrow up to one-half of their account balance, not to exceed $50,000, for a period not to exceed five years, except for amounts used to purchase a primary residence for which note terms for longer periods are permitted. Participant notes are evidenced by a written note, bear a reasonable rate of interest under the loan policy and are collateralized by the participant's account balance. Interest rates on notes outstanding as of December 31, 2012 range from 4.25% to 6.00%. Repayment of principal and interest is made through payroll deductions.

Payment of Benefits:

Benefits are recorded when paid. On termination of employment, a participant may elect to receive a distribution of his or her account balance in a lump sum payment of cash and in-kind securities from an individual brokerage account, or installment payments. The Plan administrator may elect to distribute a participant's account balance if the balance is $1,000 or less without the participant's consent. All distributions are subject to the applicable provisions of the Plan agreement.

Risks and Uncertainties:

Participants may invest their account balances in a variety of investment options offered by the Plan. Investments are exposed to various risks, such as interest rate, market fluctuations and credit risks. Due to the level of risk associated with certain investment options offered by the Plan, it is at least reasonably possible that changes in risk in the near term could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Plan Expenses:

Administrative expenses paid directly by the Plan consist of contract management and administrator expenses and audit fees. Several of the investment fund options are subject to investment fees based on a percentage of invested assets, as disclosed in the fund's prospectus. All such fees are charged directly against the fund's investment performance and thus are not separately disclosed in the accompanying financial statements. All other expenses to administer the Plan are paid by the Company and are not reflected in the Plan's financial statements.

2. Summary of Significant Accounting Policies

Plan Termination:

Although it has not expressed any intent to do so, the Company has the right to discontinue its contributions and to terminate the Plan at any time, subject to the provisions of ERISA. In the event of Plan termination, distributions will be made to participants as described in the Plan agreement.

Basis of Accounting:

The financial statements of the Plan are prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates:

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

Fair Value Measurements:

Investments are stated at fair value and accounted for as follows:

Mutual Funds: Mutual funds are valued at the net asset value (NAV) of shares held by the Plan at year end based on quoted prices in an active market. It is not probable that the mutual funds will be sold at amounts that differ materially from the NAV of shares held.

Participant-Managed Accounts: Investments held in these accounts are valued at quoted market prices from the applicable stock exchanges.

Corporate Stock: Xerox common stock is valued at the closing price from the New York Stock Exchange.

2. Summary of Significant Accounting Policies (continued)

Fair Value Measurements: (continued)

Guaranteed Income Fund: The fund is a fully benefit-responsive investment contract with Prudential. Prudential maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. This investment is presented at fair value, as determined by Prudential, which Prudential believes approximates contract value. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer, but may not be less than 1.5%. Such interest rates are reviewed on a semi-annual basis for resetting. The average yield earned by the Plan and credited to participants was 2.60% in 2012.

The Plan administrator does not believe that any events that could limit the Plan's ability to transact with Plan participants at contract value are probable of occurring. In addition, there are not any events that allow Prudential to terminate the contract and require the Plan to settle an amount other than contract value.

Pooled Separate Account: The pooled separate account is an asset of Prudential consisting of shares in a mutual fund. The investment in the separate account is expressed in 'units'. The value of the separate account is recorded at the close of each business day at fair value based on unit value reported by Prudential. The 'unit value' is calculated by dividing the value of the entire account by the total number of units in the account. The value of the Plan's investment in the separate account on any date is determined by multiplying the number of units held by the unit value.

The Plan uses a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or liability as of the measurement date. The three-level hierarchy prioritizes within the measurement of fair value, the use of market-based information over entity-specific information. Fair value focuses on an exit price and 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 at the measurement date. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

2. Summary of Significant Accounting Policies (continued)

Fair Value Measurements: (continued)

The three levels of the fair value hierarchy are as follows:

Level I – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level II – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level III – Inputs to the valuation methodology, which are significant to the fair value measurement, are unobservable.

An investment's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Income Recognition:

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, sold or held during the year.

Subsequent Events:

Subsequent events have been evaluated through the date of the independent auditors' report, which is the date the financial statements were approved by the Plan and available to be issued.

3. Information Prepared and Certified by Prudential

Prudential, as the Plan's trustee, has certified the current value of the following assets held at December 31, 2012 and 2011, and the total investment income for the year ended December 31, 2012, that were used in the preparation of the accompanying financial statements and supplemental schedule. The following table separately presents the fair value of investments that represent 5% or more of the Plan's net assets at December 31:

	2012	2011
Prudential Retirement Insurance Guaranteed Income Fund	$ 6,426,220	$ 7,117,281
JP Morgan Equity Income A Fund	4,221,810	4,066,708
JP Morgan Small Cap Value A Fund	3,945,689	-
PIMCO Mortgage-Backed Securities Adm Fund	3,551,675	3,519,841
American Funds EuroPacific Growth R4 Fund	3,515,016	3,443,081
PIMCO Total Return Admin Fund	3,499,277	3,116,122
Oakmark Equity & Income Fund	2,639,847	2,812,041
DWS Dreman Small Cap Value A Fund	-	3,577,487
Other funds individually less than 5% of net assets	30,376,253	28,017,303
Total certified investments	58,175,787	55,669,864
Notes receivable from participants	247,991	209,057
Cash	-	95
Total certified assets	$ 58,423,778	$ 55,879,016
Certified total investment income for the year ended December 31, 2012	$ 6,492,683	

3. Information Prepared and Certified by Prudential

The Plan's investments (including gains and losses on investments bought, sold and held during the year) appreciated (depreciated) as follows for the year ended December 31, 2012:

Mutual funds	$ 4,804,802
Pooled separate account	(9,408)
Participant-managed accounts	71,669
Corporate stock	(20,867)
Total	$ 4,846,196

4. Investments

Investments at fair value at December 31, 2012 are summarized as follows:

Investments	Level 1	Level 2	Level 3	Total
Mutual funds:				
Blend funds	$ 10,354,419	$ -	$ -	$ 10,354,419
Growth funds	14,956,793	-	-	14,956,793
Value funds	9,900,135	-	-	9,900,135
Bond funds	12,248,465	-	-	12,248,465
Sector funds	2,054,971	-	-	2,054,971
Real estate fund	1,027,131	-	-	1,027,131
Total mutual funds	50,541,914	-	-	50,541,914
Participant-managed accounts	222,030	-	-	222,030
Corporate stock	129,600	-	-	129,600
Pooled separate account	-	856,023	-	856,023
Guaranteed income fund	-	6,426,220	-	6,426,220
Total	$ 50,893,544	$ 7,282,243	$ -	$ 58,175,787

4. Investments (continued)

Investments at fair value at December 31, 2011 are summarized as follows:

Investments	Level 1	Level 2	Level 3	Total
Mutual funds:				
Blend funds	$ 9,883,820	$ -	$ -	$ 9,883,820
Growth funds	13,526,523	-	-	13,526,523
Value funds	9,263,980	-	-	9,263,980
Bond funds	11,312,398	-	-	11,312,398
Sector funds	2,578,896	-	-	2,578,896
Real estate fund	908,253	-	-	908,253
Total mutual funds	47,473,870	-	-	47,473,870
Participant-managed accounts	233,743	-	-	233,743
Corporate stock	197,095	-	-	197,095
Pooled separate account	-	647,875	-	647,875
Guaranteed income fund	-	7,117,281	-	7,117,281
Total	$ 47,904,708	$ 7,765,156	$ -	$ 55,669,864

5. Income Tax Status

The Plan is a prototype plan offered by Prudential, which has obtained an opinion letter from the Internal Revenue Service stating that the plan submitted for review qualifies under applicable provisions of the Code. The Company believes the Plan is being operated in compliance with the applicable requirements of the Code and related state statutes, and is therefore qualified, and that the trust, which forms a part of the Plan, is exempt from federal and state income taxes.

5. Income Tax Status (continued)

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 if the Plan has taken an uncertain position that more likely than not would not 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, 2012, 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 in progress for any tax periods. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2008.

6. Party-In-Interest Transactions

Certain Plan assets are invested in Xerox common stock. Xerox is the Company's parent company and, as a result, transactions related to Xerox common stock are considered party-in-interest transactions. Transactions related to the investments offered by Prudential, the Plan's trustee, also qualify as party-in-interest transactions. In addition, note receivable transactions with participants qualify as party-in-interest transactions. All of these party-in-interest transactions are exempt from prohibited transactions rules of ERISA.

7. Reconciliation of Financial Statements to Form 5500

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

	2012	2011
Balance per the financial statements	$ 58,620,497	$ 56,092,357
Less: Employer contribution receivable	196,719	213,341
Balance per Form 5500	$ 58,423,778	$ 55,879,016

7. Reconciliation of Financial Statements to Form 5500 (continued)

The following is a reconciliation of changes in net assets available for benefits per the financial statements to Schedule H of Form 5500 for the year ended December 31, 2012:

Net increase in net assets available for benefits per the Financial statements	$ 2,528,140
Less: Participant contributions receivable at beginning of year	213,341
Add: Participant contributions receivable at end of year	(196,719)
Net increase in net assets available for benefits per Form 5500	$ 2,544,761

Palo Alto Research Center 401(k) Plan
(Employer Identification Number 06-1568182)
(Plan Number 001)
Supplemental Schedule Accompanying Form 5500
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2012

(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
	Prudential Bank & Trust, F.S.B.:		
	American Funds EuroPacific Growth R4 Fund	***	$ 3,515,016
	Ivy Asset Strategy Y Fund	***	49,570
	Prudential Jennison Natural Resources A Fund	***	1,260,718
	LKCM Small Cap Equity Advisor Fund	***	67,232
	Loomis Sayles Bond Instl Fund	***	1,927,004
	PIMCO Mortgage-Backed Securities Adm Fund	***	3,551,675
	PIMCO Real Return Bond Admin Fund	***	229,740
	Vanguard 500 Index Signal Fund	***	2,485,177
	Vanguard Mid Cap Index Signal Fund	***	2,323,055
	Vanguard Small Cap Index Fund	***	749,064
	Vanguard Total Bond Market Index Fund	***	596,576
	Oppenheimer Developing Markets Fund	***	2,851,860
	Oppenheimer International Bond Fund	***	1,441,683
	PIMCO Total Return Admin Fund	***	3,499,277
	MFS International Value R3 Fund	***	1,049,628
	Oakmark Equity & Income Fund	***	2,639,847
	Metropolitan West High Yield Bond M Fund	***	999,819
	Wells Fargo Advance Precious Metals A Fund	***	794,253
	Nuveen Real Estate Sec A Fund	***	1,027,131
	Parnassus Fund	***	68,097
	Franklin Growth A Fund	***	2,092,654
	Franklin Rising Dividends Fund	***	2,157,276
	JP Morgan Equity Income A Fund	***	4,221,810
	MFS International New Discovery R3 Fund	***	1,948,238
	Pioneer Oak Ridge Small Cap Growth A Fund	***	2,416,303
	Ridgeworth Mid-Cap Value Equity I Fund	***	683,008
	Fidelity Advisor Technology A Fund	***	636,151
	JP Morgan Small Cap Value A Fund	***	3,945,689
	PIMCO All Asset A Fund	***	2,691
*	Prudential IncomeFlex Target EasyPath Balanced Fund	***	856,023
*	Prudential Jennison Mid Cap Growth Class A Fund	***	1,311,672
*	Xerox Corp Common Stock	***	129,600
	Participant-Managed Accounts **	***	222,030
*	Prudential Retirement Insurance Guaranteed Income Fund	***	6,426,220
*	Notes Receivable from Participants - 14 outstanding, with interest rates from 4.25% to 6.00%	-	247,991
	Total assets held at end of year		$ 58,423,778

* An asterisk in column (a) denotes a transaction with a party-in-interest.
** Consists of a variety of participant directed investments, the detail of which is not required to be reported.
*** Cost information is not required as all investments are participant directed.

Palo Alto Research Center 401(k) Plan
(Employer Identification Number 06-1568182)
(Plan Number 001)
Supplemental Schedule Accompanying Form 5500
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2012

(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
	Prudential Bank & Trust, F.S.B.:		
	American Funds EuroPacific Growth R4 Fund	***	$ 3,515,016
	Ivy Asset Strategy Y Fund	***	49,570
	Prudential Jennison Natural Resources A Fund	***	1,260,718
	LKCM Small Cap Equity Advisor Fund	***	67,232
	Loomis Sayles Bond Instl Fund	***	1,927,004
	PIMCO Mortgage-Backed Securities Adm Fund	***	3,551,675
	PIMCO Real Return Bond Admin Fund	***	229,740
	Vanguard 500 Index Signal Fund	***	2,485,177
	Vanguard Mid Cap Index Signal Fund	***	2,323,055
	Vanguard Small Cap Index Fund	***	749,064
	Vanguard Total Bond Market Index Fund	***	596,576
	Oppenheimer Developing Markets Fund	***	2,851,860
	Oppenheimer International Bond Fund	***	1,441,683
	PIMCO Total Return Admin Fund	***	3,499,277
	MFS International Value R3 Fund	***	1,049,628
	Oakmark Equity & Income Fund	***	2,639,847
	Metropolitan West High Yield Bond M Fund	***	999,819
	Wells Fargo Advance Precious Metals A Fund	***	794,253
	Nuveen Real Estate Sec A Fund	***	1,027,131
	Parnassus Fund	***	68,097
	Franklin Growth A Fund	***	2,092,654
	Franklin Rising Dividends Fund	***	2,157,276
	JP Morgan Equity Income A Fund	***	4,221,810
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	Pioneer Oak Ridge Small Cap Growth A Fund	***	2,416,303
	Ridgeworth Mid-Cap Value Equity I Fund	***	683,008
	Fidelity Advisor Technology A Fund	***	636,151
	JP Morgan Small Cap Value A Fund	***	3,945,689
	PIMCO All Asset A Fund	***	2,691
*	Prudential IncomeFlex Target EasyPath Balanced Fund	***	856,023
*	Prudential Jennison Mid Cap Growth Class A Fund	***	1,311,672
*	Xerox Corp Common Stock	***	129,600
	Participant-Managed Accounts **	***	222,030
*	Prudential Retirement Insurance Guaranteed Income Fund	***	6,426,220
*	Notes Receivable from Participants - 14 outstanding, with interest rates from 4.25% to 6.00%	-	247,991
	Total assets held at end of year		$ 58,423,778

* An asterisk in column (a) denotes a transaction with a party-in-interest.
** Consists of a variety of participant directed investments, the detail of which is not required to be reported.
*** Cost information is not required as all investments are participant directed.