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
ARGON MEDICAL DEVICES, INC. 401 K PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 11/11/2003

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

ARGON MEDICAL DEVICES, INC.

1445 FLAT CREEK ROAD
ATHENS, TX 75751

2b Employer Identification Number (EIN) 27-2147843

2c Sponsor's telephone number 903-677-9303

2d Business code (see instructions) 339110

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.	09/04/2013	JANICE RUSSELL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	09/04/2013	JANICE RUSSELL
	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 [X] Same as Plan Sponsor Name [ ] Same as Plan Sponsor Address

3b Administrator's EIN

3c Administrator's telephone number

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**	381
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**	238
b	Retired or separated participants receiving benefits	**6b**	1
c	Other retired or separated participants entitled to future benefits	**6c**	26
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	265
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	265
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	155
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 2F 2G 2J 2K 2T 3D

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

(1)	[X]	**H** (Financial Information)
(2)	[ ]	**I** (Financial Information – Small Plan)
(3)	[ ]	**A** (Insurance Information)
(4)	[X]	**C** (Service Provider Information)
(5)	[X]	**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

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
ARGON MEDICAL DEVICES, INC. 401 K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ARGON MEDICAL DEVICES, INC.

D Employer Identification Number (EIN)
27-2147843

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

BARON CAPITAL INC.
767 5TH AVENUE
NEW YORK, NY 10153

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

PACIFIC INVESTMENT MGMT COMP
840 NEWPORT CENTER DRIVE
NEWPORT BEACH, CA 92660-6397

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

ROYCE FUNDS
745 5TH AVE
NEW YORK, NY 10151

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

DIMENSIONAL FUND ADVISORS
6300 BEE CAVE ROAD
BUILDING ONE
AUSTIN, TX 78746

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

FRANKLIN TEMPLETON GROUP

3344 QUALITY DRIVE
RANCHO CORDOVA, CA 95670-7313

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

PUTNAM INVESTMENTS

1 POST OFFICE SQUARE
BOSTON, MA 02109

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

THE AMERICAN FUNDS GROUP

333 SOUTH HOPE STREET
LOS ANGELES, CA 90071

(b) Enter name and EIN or address of person who provided you disclosures 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)

MERCER HR SERVICES, LLC

INVESTORS WAY
NORWOOD, MA 02062-1584

(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?
15 21 25 37 38 49 50 59 60 62 64 65 99	RECORDKEEPER/TRUSTEE	8843	Yes [X] No [ ]	Yes [ ] No [X]	8607	Yes [ ] No [X]

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

HENRY & PETERS, PC

3310 S BROADWAY
STE 100
TYLER, TX 75701

(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 50	AUDITOR	9541	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 [ ]

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
MERCER HR SERVICES, LLC	15 38 59 60	6324

(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.
PUTNAM INVESTMENTS 1 POST OFFICE SQUARE BOSTON, MA 02109	RECORDKEEPING PARTICIPANT COMMUNICATION SHAREHOLDER SERVICING FEES SUB-TRANSFER AGENCY FEES

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

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

(complete as many entries as needed)

a	Name:	**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
ARGON MEDICAL DEVICES, INC. 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
ARGON MEDICAL DEVICES, INC.

D Employer Identification Number (EIN)
27-2147843

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: PUTNAM STABLE VALUE FUND

b Name of sponsor of entity listed in (a): PUTNAM FIDUCIARY TRUST COMPANY

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)
04-3159710-202	C	1229838

a Name of MTIA, CCT, PSA, or 103-12 IE: PUTNAM S & P 500 INDEX FUND

b Name of sponsor of entity listed in (a): PUTNAM FIDUCIARY TRUST COMPANY

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)
04-2884233-201	C	325583

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

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

a Plan name

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

a Plan name

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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
ARGON MEDICAL DEVICES, INC. 401 K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ARGON MEDICAL DEVICES, INC.

D Employer Identification Number (EIN)
27-2147843

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(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)	248039	271296
(9) Value of interest in common/collective trusts	1c(9)	1206284	1555421
(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)	2289549	3077915
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	3743872	4904632
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	3743872	4904632

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)	232886	
(B) Participants	2a(1)(B)	710623	
(C) Others (including rollovers)	2a(1)(C)	518954	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1462463
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)	8768	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		8768
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	113009	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		113009
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		53203
(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)		251950
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		1889393
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	662160	
(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)		662160
f Corrective distributions (see instructions)	2f		48089
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	18384	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		18384
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		728633
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		1160760
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: HENRY & PETERS, PC **(2)** EIN: 75-1503978

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
ARGON MEDICAL DEVICES, INC. 401 K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ARGON MEDICAL DEVICES, INC.

D Employer Identification Number (EIN)
27-2147843

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): 20-2020334

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):

ARGON MEDICAL DEVICES, INC.
401(k) PLAN

FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT AUDITORS

DECEMBER 31, 2012 AND 2011

ARGON MEDICAL DEVICES, INC.
401(k) PLAN
DECEMBER 31, 2012 AND 2011

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HENRY & PETERS, PC
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

To the Employee Benefits Plan Committee of
Argon Medical Devices, Inc. 401(k) Plan
Athens, Texas

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Argon Medical Devices, Inc. 401(k) Plan (Plan), which comprise the statements of net assets available for benefits (modified cash basis) as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits (modified cash basis) 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 the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit 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 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 3, which was certified by Mercer Trust Company (Mercer), except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that Mercer holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from Mercer as of and for the years ended December 31, 2012 and 2011, that the information provided to the plan administrator by Mercer 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.

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1127 Judson Road, Suite 233 • Longview, Texas 75601-5157 • 903-758-0648 • Fax 903-758-0409
www.henrypeters.com • E-mail: info@henrypeters.com

Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matter

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of Assets (Held at End of Year) (modified cash basis) at December 31, 2012 is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, 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 schedules, other than that derived from the information certified by Mercer, 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.

Henry & Peters, P.C.

Tyler, Texas
August 20, 2013

HP

ARGON MEDICAL DEVICES, INC.
401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
(MODIFIED CASH BASIS)
DECEMBER 31, 2012 AND 2011

	2012	2011
ASSETS		
Investments, at fair value		
Common/collective trusts	$ 1,555,421	$ 1,206,284
Registered investment companies - mutual funds	3,077,915	2,289,549
	4,633,336	3,495,833
Notes receivable from participants	271,296	248,039
Total assets	4,904,632	3,743,872
LIABILITIES		
Excess contributions payable	55,201	-
Net assets available for benefits at fair value	4,849,431	3,743,872
Adjustment from fair value to contract value for interest in collective trust relating to fully benefit-responsive investment contracts	(36,863)	(33,564)
Net assets available for benefits	$ 4,812,568	$ 3,710,308

See accompanying notes to financial statements.

ARGON MEDICAL DEVICES, INC.
401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(MODIFIED CASH BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2012

ADDITIONS:		
Investment income		
Net unrealized appreciation in fair value of investments	$	248,900
Net realized gain on sales of investments		31,803
Dividends and interest		134,160
Total investment income		414,863
Interest on notes receivable from participants		8,768
Contributions		
Employer		232,886
Participants		655,422
Rollover		518,954
Total contributions		1,407,262
Total additions		1,830,893
DEDUCTIONS:		
Benefits paid to participants		662,160
Corrective distributions		48,089
Administrative expenses		18,384
Total deductions		728,633
Net increase in net assets		1,102,260
Net assets available for benefits		
Beginning of year		3,710,308
End of year	$	4,812,568

See accompanying notes to financial statements.

ARGON MEDICAL DEVICES, INC.
401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
(MODIFIED CASH BASIS)
DECEMBER 31, 2012 AND 2011

NOTE 1 - DESCRIPTION OF PLAN

The following description of the Argon Medical Devices, Inc. (Company) 401(k) Plan (Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

GENERAL

The Company established a defined contribution 401(k) plan effective November 11, 2003, that covers employees of the Company who have completed one month or more of service and are age twenty-one or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Participants may enter the Plan on the first day of the month, coincident with or next following the date on which eligibility requirements are met. Participants are considered to be eligible on the three-month anniversary of their first day of employment, regardless of the actual amount of service during that period.

CONTRIBUTIONS

Participants may elect to contribute a portion of their pretax annual compensation not to exceed the maximum voluntary contributions allowed under section 401(k) of the Internal Revenue Code ($17,000 for 2012). Pursuant to Internal Revenue Code 414(v), participants that reach age 50 before the close of the plan year can make catch-up contributions and their elective deferral limitation is $22,500 for 2012. Participants may also make eligible rollover contributions.

The Company has an option to make matching contributions under the Plan equal to a matching percentage, which the Company from time to time deems advisable. To receive the regular matching contribution for a plan year, a participant must make match eligible contributions during the plan year and, to receive the true-up matching contribution for a plan year and a participant must make match eligible contributions during the plan year. Participants need not be employed by the Company on the last day of that year. For the plan year ending December 31, 2012, the Company elected to make a matching contribution of 50% of participant contributions, but not to exceed 6% of such participants plan compensation for that payroll period.

In addition, the Company may make a discretionary profit sharing contribution (as determined by the Board of Directors). To receive the profit sharing contribution for a plan year the employee must have completed one month or more of service and must be employed by the Company on the last day of the plan year. The discretionary contribution is allocated to eligible participants on a pro rata share of their compensation compared to the total compensation of all eligible participants. The Company did not elect to make a profit sharing contribution for the year ending December 31, 2012.

PARTICIPANT ACCOUNTS

Each participant's account is credited with the participant's contribution and an allocation of (1) the Company's matching and profit sharing contribution, and (2) plan earnings and expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

VESTING

Participants are 100% vested in their voluntary contributions, rollover contributions, employer matching and profit sharing contributions, plus actual earnings thereon immediately upon entering the Plan.

NOTES RECEIVABLE FROM PARTICIPANTS

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of 50% of the participant's account balance or $50,000. The notes are secured by the balance in the participant's account and bear interest at the prime rate as listed in the Wall Street Journal on the first business day of the month in which the note is requested plus 1%. Principal and interest is paid ratably through monthly payroll deductions. The repayment period of any general-purpose note may not exceed five years. The repayment period for any primary residence note may not exceed ten years.

NOTE 1 - DESCRIPTION OF PLAN - CONTINUED

INVESTMENT OPTIONS

Upon enrollment in the Plan, a participant may direct employee contributions in any of ten investment alternatives offered by Mercer Trust Company (Mercer). Participants may change the percentage of their elective contributions as of the first day of any month. Participants may change their investment options daily via online access to Mercer HR Services or their automated telephone system.

PAYMENT OF BENEFITS

On termination of service, benefits of $5,000 or less (exclusive of rollovers) will be rolled over automatically by the Plan into an individual retirement account (IRA). For benefits of more than $5,000, a participant may elect to receive either a lump-sum payment or annual installments.

IN-SERVICE AND HARDSHIP WITHDRAWALS

In-service withdrawals are allowed at any time and for any reason after age 59 ½. The minimum withdrawal amount is $1,000, and a participant may make a maximum of two withdrawals during a single plan year.

Hardship withdrawals are allowed at any time under the Plan. However, participants that take a hardship withdrawal are not allowed to make contributions to the Plan for six months after the withdrawal.

PLAN ADMINISTRATION

Plan assets are held in an account with Mercer Trust Company. Certain Plan administrative duties, such as Form 5500 preparation, participant recordkeeping, compliance testing, and enrollment and transaction processing, are performed by Mercer HR Services. All administrative expenses are absorbed by the Plan's participants with account balances.

Employees of the Company perform certain other administrative functions. However, such employees receive no compensation from the Plan.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accompanying financial statements present the net assets available for benefits of the Plan and changes in those net assets on a modified cash basis of accounting. The cash basis method of accounting is modified with respect to contributions and investments. Contributions are recorded and reflected in the Plan year for which the contribution was received. Investments are recorded at fair market value.

FULLY BENEFIT RESPONSIVE INVESTMENT CONTRACTS

As described in Financial Accounting Standards Board *Accounting Standards Codification* 946, *Reporting of Fully Benefit-Responsive Investment Contracts* (ASC 946), investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Plan invests in investment contracts through the Putnam Stable Value Fund, a collective trust. The Statements of Net Assets Available for Benefits present the fair value of the investment in the collective trust as well as the adjustment of the investment in the collective trust from fair value to contract value relating to the investment contracts. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

ESTIMATES

The preparation of financial statements in conformity with the modified cash basis of accounting requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

PAYMENT OF BENEFITS

Benefits are recorded when paid.

INVESTMENT VALUATION AND INVESTMENT INCOME

The Plan's investments are stated at fair value. Quoted market prices are used to value investments. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. Dividends are recorded on the ex-dividend date.

The Plan holds an investment in the Putnam Stable Value Fund (Stable Value), which is a common/collective trust fund managed by Putnam, as trustee of the fund. The fund invests primarily in guaranteed investment contracts (GICs), or funding agreements, security-backed investment contracts (SBICs), separate accounts issued or wrapped by insurance companies, banks or externally managed stable value commingled investment funds. The Stable Value fund may also invest in high-quality money market instruments or other similar short-term investments. The Plan's interest in the Stable Value fund is based on information reported by Putnam using the audited financial statements of the common/collective trust at year-end.

The fair value of the Putnam Stable Value Fund at December 31, 2012 and 2011 was $1,229,838 and $1,020,734, respectively. For the years ended December 31, 2012 and 2011, the crediting interest rates were approximately 2.0% and 3.2%, respectively. The crediting interest rate is based on an agreed-upon formula with the issuer, but cannot be less than zero. The average yield rates were approximately 2.4% and 3.1% for the plan years ended December 31, 2012 and 2011, respectively.

NOTES RECEIVABLE FROM PARTICIPANTS

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. All notes receivable from participants are secured by the participant's account balance. Management considers all notes receivable to be well-collateralized and determined that no allowance was necessary to properly state the loan balances at December 31, 2012.

NOTE 3 - INVESTMENTS

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

HP

NOTE 3 - INVESTMENTS - CONTINUED

The following table presents investments at December 31, 2012 and 2011. Investments that represent 5% or more of the Plan's net assets are separately identified.

	2012	2011
Investments at fair value as determined by quoted market price:		
Baron Growth Fund	$ 293,025	$ 226,967
Growth Fund of America	648,339	462,630
Royce Total Return Fund	272,548	*
Pimco Moderate Duration Institutional Class	674,359	621,381
Franklin Templeton Foreign Fund	296,556	187,207
George Putnam Balanced Fund	319,334	299,232
Putnam S&P 500 Index Fund	325,583	185,550
Putnam Stable Value Fund	1,229,838	1,020,734
Putnam Equity Income Fund	467,907	304,553
Investments less than 5%	105,847	187,579
	$ 4,633,336	$ 3,495,833

* Investments less than 5% of the Plan's net assets in the period indicated

Mercer also certified to the completeness and accuracy of $280,703 of net appreciation in fair value of investments (including investments bought, sold and held during the year), interest and dividends of $134,160, and interest on participant loans of $8,768 for the year ended December 31, 2012.

NOTE 4 - PLAN TERMINATION

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

NOTE 5 - TAX STATUS

The Plan is maintained in the form of a prototype plan sponsored by the Plan's record keeper which is the subject of an opinion letter from the Internal Revenue Service dated March 31, 2008. The Plan has been amended since that date and the Plan received a new favorable determination letter dated March 13, 2013 that the Plan is qualified and the trust established under the Plan is tax exempt under the appropriate sections of the Code. The Plan's trustees and management believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code. The Plan's federal returns for the past three years are subject to examination by tax authorities and may change upon examination.

NOTE 6 - RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

NOTE 7 - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board *Accounting Standards Codification* 820, *Fair Value Measurements* (ASC 820), establishes a 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 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described below:

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's 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 need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Registered investment companies (mutual funds): Valued at the net asset value ("NAV") of shares held by the Plan at year end.

Common collective trusts: The fair value of the common collective trust fund is based on its NAV, as reported by the manager of the common collective trust fund, and as supported by the unit prices of actual purchases and sales transactions occurring as of or close to the financial statement date.

The preceding methodologies used by the Plan for assets measured at fair value (and described in Note 2) may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 7 - FAIR VALUE MEASUREMENTS - CONTINUED

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2012 and 2011:

	Assets at Fair Value as of December 31, 2012			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Growth	$ 1,047,211	$ -	$ -	$ 1,047,211
Fixed income	946,907	-	-	946,907
Value	787,241	-	-	787,241
Other funds	296,556	-	-	296,556
Total mutual funds	3,077,915	-	-	3,077,915
Common/Collective Trusts:				
Index	-	325,583	-	325,583
Fixed income *	-	1,229,838	-	1,229,838
Total common/collective trusts	-	1,555,421	-	1,555,421
Total assets at fair value	$ 3,077,915	$ 1,555,421	$ -	$ 4,633,336

*Although the amount reflected in the table represents the fair value of this investment, the contract value (the amount available for Plan benefits) was $1,192,975 as of December 31, 2012.

	Assets at Fair Value as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Growth	$ 725,921	$ -	$ -	$ 725,921
Fixed income	772,636	-	-	772,636
Value	603,785	-	-	603,785
Other funds	187,207	-	-	187,207
Total mutual funds	2,289,549	-	-	2,289,549
Common/Collective Trusts:				
Index	-	185,550	-	185,550
Fixed income *	-	1,020,734	-	1,020,734
Total common/collective trusts	-	1,206,284	-	1,206,284
Total assets at fair value	$ 2,289,549	$ 1,206,284	$ -	$ 3,495,833

*Although the amount reflected in the table represents the fair value of this investment, the contract value (the amount available for Plan benefits) was $987,170 as of December 31, 2011.

NOTE 8 - EXCESS CONTRIBUTIONS PAYABLE

At December 31, 2012, $55,201 of contributions made in excess of amounts allowed by the Internal Revenue Service, were refunded by the Plan to certain participants after the end of the Plan year. As of and for the year ended December 31, 2012, the contributions were included as a Plan payable on the Statement of Net Assets and participant contributions on the Statement of Changes in Net Assets are reflected net of the refundable contributions.

NOTE 9 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 at December 31.

	2012	2011
Net assets available for benefits per audited financial statements	$ 4,812,568	$ 3,710,308
Excess contribution payable	55,201	-
Adjustment from contract value to fair value	36,863	33,564
Net assets available for benefits per the Form 5500	$ 4,904,632	$ 3,743,872

The following is a reconciliation of total income per the financial statements to the Form 5500 at December 31, 2012.

Total additions per audited financial statements	$ 1,830,893
Excess contribution payable	55,201
Adjustment from contract value to fair value, prior year	(33,564)
Adjustment from contract value to fair value, current year	36,863
Total income per the Form 5500	$ 1,889,393

NOTE 10 - SUBSEQUENT EVENTS

The Company has evaluated subsequent events through August 20, 2013, the date on which the financial statements were available to be issued.

YEAR ENDED DECEMBER 31, 2012
SUPPLEMENTAL SCHEDULE:

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

Plan: 001
EIN: 20-0281046

ARGON MEDICAL DEVICES, INC.
401(k) PLAN
SCHEDULE H, PART IV, 4(I) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2012

(a)	(b) Identity of issuer, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	** (d) Cost	(e) Current Value
	Mutual funds			
	DFA Investment Dimensions Group	DFA Emerging Markets Core Equity, 5,189 shares		$ 105,847
	Baron Capital Group	Baron Growth Fund, 5,461 shares		293,025
	American Funds	Growth Fund of America, 18,875 shares		648,339
	Royce	Royce Total Return Fund, 19,996 shares		272,548
	Pimco	Pimco Moderate Duration Inst., 61,925 shares		674,359
	Franklin Templeton Investment Funds	Franklin Templeton Foreign Fund, 43,167 shares		296,556
	Putnam Investments	George Putnam Balanced Fund, 23,956 shares		319,334
	Putnam Investments	Putnam Equity Income Fund, 27,540 shares		467,907
	Total mutual funds			3,077,915
	Common collective trusts			
	Putnam Investments	Putnam S&P 500 Index Fund, 7,783 shares		325,583
	Putnam Investments	Putnam Stable Value Fund, 1,229,838 shares		1,229,838
	Total common collective trusts			1,555,421
	Total Investments			4,633,336
*	Participant loans	rates from 4.25% to 8.75%		271,296
	Total assets (held at end of year)			$ 4,904,632

* Party-In Interest
** Cost information not required for participant directed investments.

ARGON MEDICAL DEVICES, INC.
401(k) PLAN

FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT AUDITORS

DECEMBER 31, 2012 AND 2011

ARGON MEDICAL DEVICES, INC.
401(k) PLAN
DECEMBER 31, 2012 AND 2011

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HENRY & PETERS, PC
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

To the Employee Benefits Plan Committee of
Argon Medical Devices, Inc. 401(k) Plan
Athens, Texas

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Argon Medical Devices, Inc. 401(k) Plan (Plan), which comprise the statements of net assets available for benefits (modified cash basis) as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits (modified cash basis) 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 the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit 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 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 3, which was certified by Mercer Trust Company (Mercer), except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that Mercer holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from Mercer as of and for the years ended December 31, 2012 and 2011, that the information provided to the plan administrator by Mercer 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.

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www.henrypeters.com • E-mail: info@henrypeters.com

Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matter

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of Assets (Held at End of Year) (modified cash basis) at December 31, 2012 is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, 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 schedules, other than that derived from the information certified by Mercer, 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.

Henry & Peters, P.C.

Tyler, Texas
August 20, 2013

HP

ARGON MEDICAL DEVICES, INC.
401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
(MODIFIED CASH BASIS)
DECEMBER 31, 2012 AND 2011

	2012	2011
ASSETS		
Investments, at fair value		
Common/collective trusts	$ 1,555,421	$ 1,206,284
Registered investment companies - mutual funds	3,077,915	2,289,549
	4,633,336	3,495,833
Notes receivable from participants	271,296	248,039
Total assets	4,904,632	3,743,872
LIABILITIES		
Excess contributions payable	55,201	-
Net assets available for benefits at fair value	4,849,431	3,743,872
Adjustment from fair value to contract value for interest in collective trust relating to fully benefit-responsive investment contracts	(36,863)	(33,564)
Net assets available for benefits	$ 4,812,568	$ 3,710,308

See accompanying notes to financial statements.

ARGON MEDICAL DEVICES, INC.
401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(MODIFIED CASH BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2012

ADDITIONS:		
Investment income		
Net unrealized appreciation in fair value of investments	$	248,900
Net realized gain on sales of investments		31,803
Dividends and interest		134,160
Total investment income		414,863
Interest on notes receivable from participants		8,768
Contributions		
Employer		232,886
Participants		655,422
Rollover		518,954
Total contributions		1,407,262
Total additions		1,830,893
DEDUCTIONS:		
Benefits paid to participants		662,160
Corrective distributions		48,089
Administrative expenses		18,384
Total deductions		728,633
Net increase in net assets		1,102,260
Net assets available for benefits		
Beginning of year		3,710,308
End of year	$	4,812,568

See accompanying notes to financial statements.

ARGON MEDICAL DEVICES, INC.
401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
(MODIFIED CASH BASIS)
DECEMBER 31, 2012 AND 2011

NOTE 1 - DESCRIPTION OF PLAN

The following description of the Argon Medical Devices, Inc. (Company) 401(k) Plan (Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

GENERAL

The Company established a defined contribution 401(k) plan effective November 11, 2003, that covers employees of the Company who have completed one month or more of service and are age twenty-one or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Participants may enter the Plan on the first day of the month, coincident with or next following the date on which eligibility requirements are met. Participants are considered to be eligible on the three-month anniversary of their first day of employment, regardless of the actual amount of service during that period.

CONTRIBUTIONS

Participants may elect to contribute a portion of their pretax annual compensation not to exceed the maximum voluntary contributions allowed under section 401(k) of the Internal Revenue Code ($17,000 for 2012). Pursuant to Internal Revenue Code 414(v), participants that reach age 50 before the close of the plan year can make catch-up contributions and their elective deferral limitation is $22,500 for 2012. Participants may also make eligible rollover contributions.

The Company has an option to make matching contributions under the Plan equal to a matching percentage, which the Company from time to time deems advisable. To receive the regular matching contribution for a plan year, a participant must make match eligible contributions during the plan year and, to receive the true-up matching contribution for a plan year and a participant must make match eligible contributions during the plan year. Participants need not be employed by the Company on the last day of that year. For the plan year ending December 31, 2012, the Company elected to make a matching contribution of 50% of participant contributions, but not to exceed 6% of such participants plan compensation for that payroll period.

In addition, the Company may make a discretionary profit sharing contribution (as determined by the Board of Directors). To receive the profit sharing contribution for a plan year the employee must have completed one month or more of service and must be employed by the Company on the last day of the plan year. The discretionary contribution is allocated to eligible participants on a pro rata share of their compensation compared to the total compensation of all eligible participants. The Company did not elect to make a profit sharing contribution for the year ending December 31, 2012.

PARTICIPANT ACCOUNTS

Each participant's account is credited with the participant's contribution and an allocation of (1) the Company's matching and profit sharing contribution, and (2) plan earnings and expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

VESTING

Participants are 100% vested in their voluntary contributions, rollover contributions, employer matching and profit sharing contributions, plus actual earnings thereon immediately upon entering the Plan.

NOTES RECEIVABLE FROM PARTICIPANTS

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of 50% of the participant's account balance or $50,000. The notes are secured by the balance in the participant's account and bear interest at the prime rate as listed in the Wall Street Journal on the first business day of the month in which the note is requested plus 1%. Principal and interest is paid ratably through monthly payroll deductions. The repayment period of any general-purpose note may not exceed five years. The repayment period for any primary residence note may not exceed ten years.

NOTE 1 - DESCRIPTION OF PLAN - CONTINUED

INVESTMENT OPTIONS

Upon enrollment in the Plan, a participant may direct employee contributions in any of ten investment alternatives offered by Mercer Trust Company (Mercer). Participants may change the percentage of their elective contributions as of the first day of any month. Participants may change their investment options daily via online access to Mercer HR Services or their automated telephone system.

PAYMENT OF BENEFITS

On termination of service, benefits of $5,000 or less (exclusive of rollovers) will be rolled over automatically by the Plan into an individual retirement account (IRA). For benefits of more than $5,000, a participant may elect to receive either a lump-sum payment or annual installments.

IN-SERVICE AND HARDSHIP WITHDRAWALS

In-service withdrawals are allowed at any time and for any reason after age 59 ½. The minimum withdrawal amount is $1,000, and a participant may make a maximum of two withdrawals during a single plan year.

Hardship withdrawals are allowed at any time under the Plan. However, participants that take a hardship withdrawal are not allowed to make contributions to the Plan for six months after the withdrawal.

PLAN ADMINISTRATION

Plan assets are held in an account with Mercer Trust Company. Certain Plan administrative duties, such as Form 5500 preparation, participant recordkeeping, compliance testing, and enrollment and transaction processing, are performed by Mercer HR Services. All administrative expenses are absorbed by the Plan's participants with account balances.

Employees of the Company perform certain other administrative functions. However, such employees receive no compensation from the Plan.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accompanying financial statements present the net assets available for benefits of the Plan and changes in those net assets on a modified cash basis of accounting. The cash basis method of accounting is modified with respect to contributions and investments. Contributions are recorded and reflected in the Plan year for which the contribution was received. Investments are recorded at fair market value.

FULLY BENEFIT RESPONSIVE INVESTMENT CONTRACTS

As described in Financial Accounting Standards Board *Accounting Standards Codification* 946, *Reporting of Fully Benefit-Responsive Investment Contracts* (ASC 946), investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Plan invests in investment contracts through the Putnam Stable Value Fund, a collective trust. The Statements of Net Assets Available for Benefits present the fair value of the investment in the collective trust as well as the adjustment of the investment in the collective trust from fair value to contract value relating to the investment contracts. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

ESTIMATES

The preparation of financial statements in conformity with the modified cash basis of accounting requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

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Benefits are recorded when paid.

INVESTMENT VALUATION AND INVESTMENT INCOME

The Plan's investments are stated at fair value. Quoted market prices are used to value investments. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. Dividends are recorded on the ex-dividend date.

The Plan holds an investment in the Putnam Stable Value Fund (Stable Value), which is a common/collective trust fund managed by Putnam, as trustee of the fund. The fund invests primarily in guaranteed investment contracts (GICs), or funding agreements, security-backed investment contracts (SBICs), separate accounts issued or wrapped by insurance companies, banks or externally managed stable value commingled investment funds. The Stable Value fund may also invest in high-quality money market instruments or other similar short-term investments. The Plan's interest in the Stable Value fund is based on information reported by Putnam using the audited financial statements of the common/collective trust at year-end.

The fair value of the Putnam Stable Value Fund at December 31, 2012 and 2011 was $1,229,838 and $1,020,734, respectively. For the years ended December 31, 2012 and 2011, the crediting interest rates were approximately 2.0% and 3.2%, respectively. The crediting interest rate is based on an agreed-upon formula with the issuer, but cannot be less than zero. The average yield rates were approximately 2.4% and 3.1% for the plan years ended December 31, 2012 and 2011, respectively.

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HP

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Investments less than 5%	105,847	187,579
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* Investments less than 5% of the Plan's net assets in the period indicated

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NOTE 5 - TAX STATUS

The Plan is maintained in the form of a prototype plan sponsored by the Plan's record keeper which is the subject of an opinion letter from the Internal Revenue Service dated March 31, 2008. The Plan has been amended since that date and the Plan received a new favorable determination letter dated March 13, 2013 that the Plan is qualified and the trust established under the Plan is tax exempt under the appropriate sections of the Code. The Plan's trustees and management believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code. The Plan's federal returns for the past three years are subject to examination by tax authorities and may change upon examination.

NOTE 6 - RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

NOTE 7 - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board *Accounting Standards Codification* 820, *Fair Value Measurements* (ASC 820), establishes a 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 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described below:

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's 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 need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Registered investment companies (mutual funds): Valued at the net asset value ("NAV") of shares held by the Plan at year end.

Common collective trusts: The fair value of the common collective trust fund is based on its NAV, as reported by the manager of the common collective trust fund, and as supported by the unit prices of actual purchases and sales transactions occurring as of or close to the financial statement date.

The preceding methodologies used by the Plan for assets measured at fair value (and described in Note 2) may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 7 - FAIR VALUE MEASUREMENTS - CONTINUED

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2012 and 2011:

	Assets at Fair Value as of December 31, 2012			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Growth	$ 1,047,211	$ -	$ -	$ 1,047,211
Fixed income	946,907	-	-	946,907
Value	787,241	-	-	787,241
Other funds	296,556	-	-	296,556
Total mutual funds	3,077,915	-	-	3,077,915
Common/Collective Trusts:				
Index	-	325,583	-	325,583
Fixed income *	-	1,229,838	-	1,229,838
Total common/collective trusts	-	1,555,421	-	1,555,421
Total assets at fair value	$ 3,077,915	$ 1,555,421	$ -	$ 4,633,336

*Although the amount reflected in the table represents the fair value of this investment, the contract value (the amount available for Plan benefits) was $1,192,975 as of December 31, 2012.

	Assets at Fair Value as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Growth	$ 725,921	$ -	$ -	$ 725,921
Fixed income	772,636	-	-	772,636
Value	603,785	-	-	603,785
Other funds	187,207	-	-	187,207
Total mutual funds	2,289,549	-	-	2,289,549
Common/Collective Trusts:				
Index	-	185,550	-	185,550
Fixed income *	-	1,020,734	-	1,020,734
Total common/collective trusts	-	1,206,284	-	1,206,284
Total assets at fair value	$ 2,289,549	$ 1,206,284	$ -	$ 3,495,833

*Although the amount reflected in the table represents the fair value of this investment, the contract value (the amount available for Plan benefits) was $987,170 as of December 31, 2011.

NOTE 8 - EXCESS CONTRIBUTIONS PAYABLE

At December 31, 2012, $55,201 of contributions made in excess of amounts allowed by the Internal Revenue Service, were refunded by the Plan to certain participants after the end of the Plan year. As of and for the year ended December 31, 2012, the contributions were included as a Plan payable on the Statement of Net Assets and participant contributions on the Statement of Changes in Net Assets are reflected net of the refundable contributions.

NOTE 9 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 at December 31.

	2012	2011
Net assets available for benefits per audited financial statements	$ 4,812,568	$ 3,710,308
Excess contribution payable	55,201	-
Adjustment from contract value to fair value	36,863	33,564
Net assets available for benefits per the Form 5500	$ 4,904,632	$ 3,743,872

The following is a reconciliation of total income per the financial statements to the Form 5500 at December 31, 2012.

Total additions per audited financial statements	$ 1,830,893
Excess contribution payable	55,201
Adjustment from contract value to fair value, prior year	(33,564)
Adjustment from contract value to fair value, current year	36,863
Total income per the Form 5500	$ 1,889,393

NOTE 10 - SUBSEQUENT EVENTS

The Company has evaluated subsequent events through August 20, 2013, the date on which the financial statements were available to be issued.

YEAR ENDED DECEMBER 31, 2012
SUPPLEMENTAL SCHEDULE:

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

Plan: 001
EIN: 20-0281046

ARGON MEDICAL DEVICES, INC.
401(k) PLAN
SCHEDULE H, PART IV, 4(I) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2012

(a)	(b) Identity of issuer, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	** (d) Cost	(e) Current Value
	Mutual funds			
	DFA Investment Dimensions Group	DFA Emerging Markets Core Equity, 5,189 shares		$ 105,847
	Baron Capital Group	Baron Growth Fund, 5,461 shares		293,025
	American Funds	Growth Fund of America, 18,875 shares		648,339
	Royce	Royce Total Return Fund, 19,996 shares		272,548
	Pimco	Pimco Moderate Duration Inst., 61,925 shares		674,359
	Franklin Templeton Investment Funds	Franklin Templeton Foreign Fund, 43,167 shares		296,556
	Putnam Investments	George Putnam Balanced Fund, 23,956 shares		319,334
	Putnam Investments	Putnam Equity Income Fund, 27,540 shares		467,907
	Total mutual funds			3,077,915
	Common collective trusts			
	Putnam Investments	Putnam S&P 500 Index Fund, 7,783 shares		325,583
	Putnam Investments	Putnam Stable Value Fund, 1,229,838 shares		1,229,838
	Total common collective trusts			1,555,421
	Total Investments			4,633,336
*	Participant loans	rates from 4.25% to 8.75%		271,296
	Total assets (held at end of year)			$ 4,904,632

* Party-In Interest
** Cost information not required for participant directed investments.

Attachment to 2012 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name ARGON MEDICAL DEVICES, INC. 401 K PLAN **EIN:** 27-2147843
Plan Sponsor's Name ARGON MEDICAL DEVICES, INC. **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	DFA EMERGING MARKTS CORE	MUTUAL FUND		105,846
	BARON GROWTH FUND	MUTUAL FUND		293,025
	GROWTH FUND OF AMERICA	MUTUAL FUND		648,339
	ROYCE TOTAL RETURN FUND	MUTUAL FUND		272,549
	PIMCO MODERATE DUR INST	MUTUAL FUND		674,359
	FRANKLIN TEMPLETON FOREIGN	MUTUAL FUND		296,556
	THE GEORGE PUTNAM BAL FD	MUTUAL FUND		319,334

Attachment to 2012 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name ARGON MEDICAL DEVICES, INC. 401 K PLAN **EIN:** 27-2147843
Plan Sponsor's Name ARGON MEDICAL DEVICES, INC. **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	PUTNAM S & P 500 INDEX FD	COMMON/COLLECTIVE TRUST		325,583
	LOAN FUND	PARTICIPANT LOANS		271,296
	PUTNAM STABLE VALUE FUND	COMMON/COLLECTIVE TRUST		1,229,838
	PUTNAM EQUITY INCOME FD	MUTUAL FUND		467,907