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
MAG INSTRUMENT, INC. PROFIT SHARING PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1988

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

MAG INSTRUMENT, INC.

2001 SOUTH HELLMAN AVENUE
ONTARIO, CA 91761

2b Employer Identification Number (EIN)
95-2912384

2c Sponsor's telephone number
909-947-1006

2d Business code (see instructions)
339900

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	09/18/2013	JAMES ZECCHINI
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	09/11/2013	JAMES ZECCHINI
	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:	**4b**	EIN
a	Sponsor's name	**4c**	PN

5	Total number of participants at the beginning of the plan year	**5**	796
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**	594
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	160
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	754
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	2
f	Total. Add lines **6d** and **6e**	**6f**	756
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	676
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	1
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 3D 2T

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)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

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

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
MAG INSTRUMENT, INC.

D Employer Identification Number (EIN)
95-2912384

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

AMERICAN CENTURY INVESTMENTS

44-6006315

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

FRANKLIN TEMPLETON INVESTMENTS

94-3167260

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

GOLDMAN SACHS

13-5108880

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

INVESCO AIM

76-0528004

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

JANUS

43-1804048

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

MFS

04-2747644

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

T. ROWE PRICE

52-2264646

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

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

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

WELLS FARGO BANK, N.A.

94-1347393

(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 49 50 52 60 62 63 64	SERVICE PROVIDER	17701	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] 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 [ ]

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

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
MAG INSTRUMENT, INC. PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
MAG INSTRUMENT, INC.

D Employer Identification Number (EIN)
95-2912384

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)	870609	699745
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	11928519	12995048
(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	12799128	13694793
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		10555
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	10555
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	12799128	13684238

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)		
	(B) Participants	2a(1)(B)	814978	
	(C) Others (including rollovers)	2a(1)(C)	29536	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		844514
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)	32443	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		32443
	(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)	156079	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		156079
	(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)		
(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)		864903
c Other income	2c		32419
d Total income. Add all **income** amounts in column (b) and enter total	2d		1930358
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	954222	
(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)		954222
f Corrective distributions (see instructions)	2f		10555
g Certain deemed distributions of participant loans (see instructions)	2g		30567
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)	49904	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		49904
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1045248
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		885110
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: HBLA CPA, INC. **(2)** EIN: 33-0155525

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		6000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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

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

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

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

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
MAG INSTRUMENT, INC. PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
MAG INSTRUMENT, INC.

D Employer Identification Number (EIN)
95-2912384

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): 41-6257133

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):

Mag Instrument, Inc. Profit Sharing Plan

Financial Statements
For the Years Ended
December 31, 2012 and 2011,
Supplemental Schedule,
and
Independent Auditor's Report

MAG INSTRUMENT, INC. PROFIT SHARING PLAN

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at December 31, 2012 15

Other schedules are omitted because they are not applicable or are not required disclosures under the Employee Retirement Income Security Act of 1974 and regulations issued by the Department of Labor

HBLA
CERTIFIED PUBLIC ACCOUNTANTS INC.

19600 Fairchild Suite 320
Irvine CA 92612
949.833.2815 tel
949.833.2876 fax

Independent Auditor's Report

To the Plan Administrator and Trustees of
Mag Instrument, Inc. Profit Sharing Plan

Report on the Financial Statements
We were engaged to audit the accompanying financial statements of Mag Instrument, Inc. Profit Sharing Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

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

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 C, which was certified by Wells Fargo Bank, N.A., the Custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the Custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the Custodian as of and for the years ended December 31, 2012 and 2011, that the information provided to the plan administrator by the Custodian is complete and accurate.

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

Other Matter

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule, which is the responsibility of plan management, is presented for the purpose of additional analysis and is not a required part of the financial statements but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedule referred to above.

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

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

HBKA Certified Public Accountants, Inc.

August 6, 2013

MAG INSTRUMENT, INC. PROFIT SHARING PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2012 AND 2011

	2012	2011
ASSETS		
Investments at fair value	$ 12,995,048	$ 11,928,519
Notes receivable from participants	699,745	870,609
TOTAL ASSETS	13,694,793	12,799,128
LIABILITIES		
Excess contributions	10,555	-
NET ASSETS AVAILABLE FOR BENEFITS	$ 13,684,238	$ 12,799,128

See accompanying notes to the financial statements and independent auditor's report.

MAG INSTRUMENT, INC. PROFIT SHARING PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
ADDITIONS TO NET ASSETS:		
Earnings (loss) on investments:		
Net appreciation (depreciation) in fair value of investments	$ 864,903	$ (314,656)
Interest and dividends	156,079	137,341
Other income	32,419	33,178
Total earnings (loss) on investments	1,053,401	(144,137)
Interest income on notes receivable from participants	32,443	41,680
Contributions:		
Participant contributions	814,978	849,570
Employee rollovers	29,536	5,450
Total contributions	844,514	855,020
TOTAL ADDITIONS	1,930,358	752,563
DEDUCTIONS FROM NET ASSETS		
Benefits paid to participants	984,789	844,393
Corrective distributions	10,555	1,033
Administrative expenses	49,904	87,608
TOTAL DEDUCTIONS	1,045,248	933,034
INCREASE (DECREASE) IN NET ASSETS	885,110	(180,471)
NET ASSETS AVAILABLE FOR BENEFITS BEGINNING OF YEAR	12,799,128	12,979,599
NET ASSETS AVAILABLE FOR BENEFITS END OF YEAR	$ 13,684,238	$ 12,799,128

See accompanying notes to the financial statements and independent auditor's report.

MAG INSTRUMENT, INC. PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

NOTE A – DESCRIPTION OF THE PLAN

The following description of the Mag Instrument, Inc. Profit Sharing Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Mag Instrument, Inc. (the Company). The Plan was established on January 1, 1988, and was amended to include an Employee 401(k) Savings Plan on July 1, 1991 and restated effective January 1, 1997. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), and is qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended, and therefore exempt from federal and state income taxes.

Eligibility

The Plan provides for different eligibility criteria, for participant contributions and for allocation of company contributions:

Participant contribution - Employees are eligible to participate in the Plan after completing three months of service. The entry dates for the Plan are the first day of each quarter of the Plan year.

Company contribution - The Plan covers all employees who have completed 1,000 hours during the eligibility computation period (12-consecutive month period beginning on anniversary of the employees' employment commencement date) and are employed on the last day of the Plan year. The entry dates for the Plan are the first day of the first and seventh month of the Plan year.

Participant Contributions

Participants can make pretax contributions up to the lesser of their annual compensation or the maximum amount allowed by law (plus "catch-up" contribution for participants over age 50) as presented in the following table:

Calendar Year	Limit	Catch-up
2011	$16,500	$5,500
2012	$17,000	$5,500

NOTE A – DESCRIPTION OF THE PLAN (Continued)

Company Contributions

Each year the Company may elect to make, solely at is own discretion, a profit sharing contribution. Company contributions are allocated to employees pro rata, determined by the percentage which the participant's eligible compensation bears to the total eligible compensation of all participants. Contributions are subject to certain statutory limitations. No company contributions were made in 2012 and 2011.

The Plan also provides for a qualified non-elective contribution, at the Company's discretion, to non-highly compensated employees. No qualified non-elective contributions were made in 2012 and 2011.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution (as described above) and (b) Plan earnings, and is charged with an allocation of administrative expenses and Plan losses. 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 vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. Company contributions vest at the rate of 20% per year commencing in the third year of service, resulting in full vesting after seven years of service. If a participant's employment terminates before full vesting is attained, the amount of Plan benefits forfeited is re-allocated as an additional profit sharing contribution to existing Plan participants.

Benefit Payments

On termination of service, death, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a ten-year period. If the participant's account balance is more than $5,000, distribution will not be made before the participant attains age 65, without his or her consent. In no event will distribution to any participant be delayed beyond the year following the year in which the participant attains age 70 1/2.

NOTE A – DESCRIPTION OF THE PLAN (Continued)

Notes Receivable from Participants

Upon approval by the Plan trustee, active participants are permitted to borrow from the Plan. A participant may borrow a minimum of $1,000, up to 50 percent of his or her vested account balance. New borrowings can be no more than $50,000 minus the participant's highest outstanding loan amount during the prior 12 month period. Loan transactions are treated as a transfer between the investment fund and the participant loans fund. Loan terms range up to five years except in the case of the purchase of a principal residence where the Plan permits, at the plan administrator's discretion, a longer repayment term. The loans bear interest at the prime rate set by Wells Fargo Bank, N.A. plus one percent, as of the loan funding date. Nonpayment of loans is considered a default and treated as a distribution. Principal and interest are paid ratably through equal installments quarterly, or more frequently, through payroll deductions. Loan balances are measured at their unpaid principal balance plus any accrued interest. At December 31, 2012 and 2011, loans outstanding were $699,745 and $870,609 respectively. Interest rates on participant's loans ranged from 4.25 percent to 9.25 percent for the years ended December 31, 2012 and 2011.

Investment Elections

Upon enrollment in the Plan, a participant may direct his or her account into any of 19 available investment options provided through a contract with Wells Fargo Bank, N.A. (see Note C) and may change the investment options on a daily basis.

Forfeitures

Any amount of Company contributions and related earnings not vested at termination of employment is forfeited if the participant does not resume employment with the Company prior to incurring five consecutive one-year breaks in service. These forfeitures are reallocated to existing Plan participants on a pro rata basis as an additional profit sharing contribution. At December 31, 2012 and 2011, forfeited non-vested accounts totaled $2,979 and $1,931, respectively.

Administrative Expenses

All expenses of maintaining the Plan are paid by the Plan.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared in compliance with the Department

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

of Labor Rules and Regulations for Reporting and Disclosure under ERISA. As allowed under Department of Labor Regulations, the financial statements have been prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities as the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's management determines the Plan's valuation policies utilizing information provided by the investment adviser, custodian and insurance company. See Note D for discussion of fair value measurements.

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

Undistributed Benefits

Benefits are recorded when paid.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the Internal Revenue Service (IRS) are recorded as a liability with a corresponding reduction to contributions. The Plan distributed the 2012 excess contributions to the applicable participants prior to March 15, 2013.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements

In May 2011, FASB issued Accounting Standards Update (ASU) No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.* The objective of this update is to improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRSs), by changing the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and disclosing information about fair value measurements. The amendments include those that clarify FASB's intent about the application of existing fair value measurement and disclosure requirements and those that change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The ASU was effective for public entities during interim and annual periods beginning after December 15, 2011. Nonpublic entities may early implement during interim periods beginning after December 15, 2011. Some of the disclosures required by the amendments in the ASU are not required for nonpublic entities. The Plan has adopted the provisions of ASU 2011-04 for the period ending December 31, 2012 with no material impact on its financial statements.

NOTE C – CUSTODIAN CERTIFICATION

At December 31, 2012 and 2011, the Plan's investments were held by Wells Fargo Bank, N.A., the Custodian of the Plan (the Custodian). The following is a summary of the Plan's financial information that is included in the financial statements based on information certified by the Custodian as complete and accurate in accordance with 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and disclosure under the ERISA of 1974.

The fair value of investments and notes receivable from participants at unpaid principal balance plus accrued interest at December 31, 2012 and 2011, and investment income and interest income on notes receivable from participants, for the years ended December 31, 2012 and 2011, as reported by the Custodian are summarized as follows:

NOTE C – CUSTODIAN CERTIFICATION (Continued)

	2012		2011	
Investments:				
Wells Fargo Advantage Cash Invest Money Markets	$ 3,291,108	*	$ 3,167,348	*
Wells Fargo Advantage Index ADM	2,068,977	*	1,978,221	*
John Hancock Disciplined Value Mid Cap A	653,343		-	
T Rowe Price Value Admin	1,070,898	*	939,093	*
Wells Fargo Short Duration Government Bond	862,939	*	774,002	*
Goldman Sachs Mid Cap Value (A)	-		604,358	
MFS Research International (R3)	659,736		574,832	
Wells Fargo Advantage Precious Metals (A)	534,076		545,792	
Invesco Energy (A)	38,763		35,634	
Janus Balanced (S)	663,489		624,656	
Janus Flexible Bond (T)	1,018,236	*	565,886	
Wells Fargo Advantage Emerging Growth Adm	930,473	*	1,191,795	*
Janus Growth and Income (T)	-		402,227	
American Century Equity Income	486,970		396,852	
T. Rowe Price Blue Chip Growth	528,684		-	
Wells Fargo Advantage Dow Jones TRGT Today	9,882		6,418	
Wells Fargo Advantage Dow Jones TRGT 2010	10,073		4,561	
Wells Fargo Advantage Dow Jones TRGT 2020	76,064		52,975	
Wells Fargo Advantage Dow Jones TRGT 2030	26,620		19,224	
Wells Fargo Advantage Dow Jones TRGT 2040	58,390		40,606	
Wells Fargo Advantage Dow Jones TRGT 2050	6,327		4,039	
Total investments	12,995,048		11,928,519	
Notes receivable from participants	699,745		870,609	
Total investments and notes receivable from participants held at year end	$ 13,694,793		$ 12,799,128	

* Investments representing 5% or more of net assets available for plan benefits.

	2012	2011
Earnings (loss) on investments:		
Net appreciation (depreciation) in fair value of investments	$ 864,903	$ (314,656)
Interest and dividends	156,079	137,341
Mutual fund rebate income	32,419	33,178
Total earnings (loss) on investments	$ 1,053,401	$ (144,137)
Interest income on notes receivable from participants	$ 32,443	$ 41,680

NOTE D – FAIR VALUE MEASUREMENTS

Fair value measurements are based on a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

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

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

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

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.

Mutual funds: Valued at the quoted net asset value of shares held by the Plan at year end. The share value is based on the quoted price at the end of the day on the active market in which the individual mutual funds are traded

The methods described above 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.

The following table sets forth by level, within the fair value hierarchy, the Plan's underlying investments in mutual funds at fair value as of December 31, 2012 and 2011.

NOTE D – FAIR VALUE MEASUREMENTS (Continued)

	Fair Value Measurements as of December 31, 2012			
Description	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds:				
Money Market	$ 3,291,108	$ 3,291,108	$ -	$ -
Bond	1,881,175	1,881,175	-	-
Balanced	663,489	663,489	-	-
Large cap	4,155,529	4,155,529	-	-
Mid cap	653,343	653,343	-	-
Small cap	930,473	930,473	-	-
Global/international	659,736	659,736	-	-
Specialty	572,839	572,839	-	-
Target date funds	187,356	187,356	-	-
Total mutual funds, at fair value	$ 12,995,048	$ 12,995,048	$ -	$ -

	Fair Value Measurements as of December 31, 2011			
Description	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds:				
Money Market	$ 3,167,348	$ 3,167,348	$ -	$ -
Bond	1,339,888	1,339,888	-	-
Balanced	624,656	624,656	-	-
Large cap	3,716,393	3,716,393	-	-
Mid cap	604,358	604,358	-	-
Small cap	1,191,795	1,191,795	-	-
Global/international	574,832	574,832	-	-
Specialty	581,426	581,426		
Target date funds	127,823	127,823	-	-
Total mutual funds, at fair value	$ 11,928,519	$ 11,928,519	$ -	$ -

NOTE E – RISKS AND UNCERTAINTIES

The Plan provides for various investment options in any combination of equity, fixed-income, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits and the statements of changes in net assets available for benefits. In addition, the Plan held substantially all of its assets with one institution. In the event of the institution's failure, the Plan could be subject to losses.

NOTE F – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan, subject to the provisions of ERISA. In the event of Plan termination, all participants would become fully vested in their accounts and the Employer will arrange for distributions of all participants' accounts to the participants or their designated beneficiaries in accordance with the terms of the Plan.

NOTE G – RELATED PARTY TRANSACTIONS

The Plan invests in shares of mutual funds managed by an affiliate of Wells Fargo Bank, N.A. Wells Fargo Bank, N.A. acts as asset custodian for only those investments defined by the Plan. Transactions in such investments qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules.

NOTE H – TAX STATUS

The plan is a prototype non-standardized profit sharing plan with CODA, which is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The IRS has determined and informed Wells Fargo Bank N.A., the organization that offers the prototype Plan, by a letter dated August 30, 2001 that the Plan and related trust are designed in accordance with applicable sections of the IRC. The plan has been amended since receiving the opinion letter. The plan administrator believes that the plan is currently designed, and is being operated, in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. There were no uncertain tax positions as of and for the years ended December 31, 2012 and 2011. The Plan is subject to routine audits by taxing jurisdictions;

NOTE H – TAX STATUS (Continued)

however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2009.

NOTE I – SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 6, 2013, the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULE

MAG INSTRUMENT, INC. PROFIT SHARING PLAN

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
SCHEDULE H, LINE 4i
EMPLOYER ID NUMBER 95-2912384, PLAN NUMBER 001

DECEMBER 31, 2011

(a)	(b)Identity of issue, borrower lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
*	Wells Fargo International	Wells Fargo Advantage Cash Invest Money Markets	**	$ 3,291,108
*	Wells Fargo International	Wells Fargo Advantage Index ADM	**	2,068,977
*	Wells Fargo International	John Hancock Disciplined Value Mid Cap A	**	653,343
*	Wells Fargo International	T Rowe Price Value Admin	**	1,070,898
*	Wells Fargo International	Wells Fargo Short Duration Government Bond	**	862,939
*	Wells Fargo International	MFS Research International (R3)	**	659,736
*	Wells Fargo International	Wells Fargo Advantage Precious Metals (A)	**	534,076
*	Wells Fargo International	Invesco Energy (A)	**	38,763
*	Wells Fargo International	Janus Balanced (S)	**	663,489
*	Wells Fargo International	Janus Flexible Bond (T)	**	1,018,236
*	Wells Fargo International	Wells Fargo Advantage Emerging Growth Adm	**	930,473
*	Wells Fargo International	American Century Equity Income	**	486,970
*	Wells Fargo International	T. Rowe Price Blue Chip Growth	**	528,684
*	Wells Fargo International	Wells Fargo Advantage Dow Jones TRGT Today	**	9,882
*	Wells Fargo International	Wells Fargo Advantage Dow Jones TRGT 2010	**	10,073
*	Wells Fargo International	Wells Fargo Advantage Dow Jones TRGT 2020	**	76,064
*	Wells Fargo International	Wells Fargo Advantage Dow Jones TRGT 2030	**	26,620
*	Wells Fargo International	Wells Fargo Advantage Dow Jones TRGT 2040	**	58,390
*	Wells Fargo International	Wells Fargo Advantage Dow Jones TRGT 2050	**	6,327
	Total investments		-	12,995,048
	Participant loans	Interest rate of 4.25% to 9.25%	-	699,745
	Total assets held at year end		$ -	$ 13,694,793

* *Party-in-interest*
** *Historical cost information is not required for participant directed investments.*

See accompanying independent auditor's report.

Mag Instrument, Inc. Profit Sharing Plan

Financial Statements
For the Years Ended
December 31, 2012 and 2011,
Supplemental Schedule,
and
Independent Auditor's Report

MAG INSTRUMENT, INC. PROFIT SHARING PLAN

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at December 31, 2012 15

Other schedules are omitted because they are not applicable or are not required disclosures under the Employee Retirement Income Security Act of 1974 and regulations issued by the Department of Labor

HBLA
CERTIFIED PUBLIC ACCOUNTANTS INC.

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Independent Auditor's Report

To the Plan Administrator and Trustees of
Mag Instrument, Inc. Profit Sharing Plan

Report on the Financial Statements
We were engaged to audit the accompanying financial statements of Mag Instrument, Inc. Profit Sharing Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

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

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 C, which was certified by Wells Fargo Bank, N.A., the Custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the Custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the Custodian as of and for the years ended December 31, 2012 and 2011, that the information provided to the plan administrator by the Custodian is complete and accurate.

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

Other Matter

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule, which is the responsibility of plan management, is presented for the purpose of additional analysis and is not a required part of the financial statements but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedule referred to above.

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

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

HBKA Certified Public Accountants, Inc.

August 6, 2013

MAG INSTRUMENT, INC. PROFIT SHARING PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2012 AND 2011

	2012	2011
ASSETS		
Investments at fair value	$ 12,995,048	$ 11,928,519
Notes receivable from participants	699,745	870,609
TOTAL ASSETS	13,694,793	12,799,128
LIABILITIES		
Excess contributions	10,555	-
NET ASSETS AVAILABLE FOR BENEFITS	$ 13,684,238	$ 12,799,128

See accompanying notes to the financial statements and independent auditor's report.

MAG INSTRUMENT, INC. PROFIT SHARING PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
ADDITIONS TO NET ASSETS:		
Earnings (loss) on investments:		
Net appreciation (depreciation) in fair value of investments	$ 864,903	$ (314,656)
Interest and dividends	156,079	137,341
Other income	32,419	33,178
Total earnings (loss) on investments	1,053,401	(144,137)
Interest income on notes receivable from participants	32,443	41,680
Contributions:		
Participant contributions	814,978	849,570
Employee rollovers	29,536	5,450
Total contributions	844,514	855,020
TOTAL ADDITIONS	1,930,358	752,563
DEDUCTIONS FROM NET ASSETS		
Benefits paid to participants	984,789	844,393
Corrective distributions	10,555	1,033
Administrative expenses	49,904	87,608
TOTAL DEDUCTIONS	1,045,248	933,034
INCREASE (DECREASE) IN NET ASSETS	885,110	(180,471)
NET ASSETS AVAILABLE FOR BENEFITS BEGINNING OF YEAR	12,799,128	12,979,599
NET ASSETS AVAILABLE FOR BENEFITS END OF YEAR	$ 13,684,238	$ 12,799,128

See accompanying notes to the financial statements and independent auditor's report.

MAG INSTRUMENT, INC. PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

NOTE A – DESCRIPTION OF THE PLAN

The following description of the Mag Instrument, Inc. Profit Sharing Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Mag Instrument, Inc. (the Company). The Plan was established on January 1, 1988, and was amended to include an Employee 401(k) Savings Plan on July 1, 1991 and restated effective January 1, 1997. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), and is qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended, and therefore exempt from federal and state income taxes.

Eligibility

The Plan provides for different eligibility criteria, for participant contributions and for allocation of company contributions:

Participant contribution - Employees are eligible to participate in the Plan after completing three months of service. The entry dates for the Plan are the first day of each quarter of the Plan year.

Company contribution - The Plan covers all employees who have completed 1,000 hours during the eligibility computation period (12-consecutive month period beginning on anniversary of the employees' employment commencement date) and are employed on the last day of the Plan year. The entry dates for the Plan are the first day of the first and seventh month of the Plan year.

Participant Contributions

Participants can make pretax contributions up to the lesser of their annual compensation or the maximum amount allowed by law (plus "catch-up" contribution for participants over age 50) as presented in the following table:

Calendar Year	Limit	Catch-up
2011	$16,500	$5,500
2012	$17,000	$5,500

NOTE A – DESCRIPTION OF THE PLAN (Continued)

Company Contributions

Each year the Company may elect to make, solely at is own discretion, a profit sharing contribution. Company contributions are allocated to employees pro rata, determined by the percentage which the participant's eligible compensation bears to the total eligible compensation of all participants. Contributions are subject to certain statutory limitations. No company contributions were made in 2012 and 2011.

The Plan also provides for a qualified non-elective contribution, at the Company's discretion, to non-highly compensated employees. No qualified non-elective contributions were made in 2012 and 2011.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution (as described above) and (b) Plan earnings, and is charged with an allocation of administrative expenses and Plan losses. 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 vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. Company contributions vest at the rate of 20% per year commencing in the third year of service, resulting in full vesting after seven years of service. If a participant's employment terminates before full vesting is attained, the amount of Plan benefits forfeited is re-allocated as an additional profit sharing contribution to existing Plan participants.

Benefit Payments

On termination of service, death, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a ten-year period. If the participant's account balance is more than $5,000, distribution will not be made before the participant attains age 65, without his or her consent. In no event will distribution to any participant be delayed beyond the year following the year in which the participant attains age 70 1/2.

NOTE A – DESCRIPTION OF THE PLAN (Continued)

Notes Receivable from Participants

Upon approval by the Plan trustee, active participants are permitted to borrow from the Plan. A participant may borrow a minimum of $1,000, up to 50 percent of his or her vested account balance. New borrowings can be no more than $50,000 minus the participant's highest outstanding loan amount during the prior 12 month period. Loan transactions are treated as a transfer between the investment fund and the participant loans fund. Loan terms range up to five years except in the case of the purchase of a principal residence where the Plan permits, at the plan administrator's discretion, a longer repayment term. The loans bear interest at the prime rate set by Wells Fargo Bank, N.A. plus one percent, as of the loan funding date. Nonpayment of loans is considered a default and treated as a distribution. Principal and interest are paid ratably through equal installments quarterly, or more frequently, through payroll deductions. Loan balances are measured at their unpaid principal balance plus any accrued interest. At December 31, 2012 and 2011, loans outstanding were $699,745 and $870,609 respectively. Interest rates on participant's loans ranged from 4.25 percent to 9.25 percent for the years ended December 31, 2012 and 2011.

Investment Elections

Upon enrollment in the Plan, a participant may direct his or her account into any of 19 available investment options provided through a contract with Wells Fargo Bank, N.A. (see Note C) and may change the investment options on a daily basis.

Forfeitures

Any amount of Company contributions and related earnings not vested at termination of employment is forfeited if the participant does not resume employment with the Company prior to incurring five consecutive one-year breaks in service. These forfeitures are reallocated to existing Plan participants on a pro rata basis as an additional profit sharing contribution. At December 31, 2012 and 2011, forfeited non-vested accounts totaled $2,979 and $1,931, respectively.

Administrative Expenses

All expenses of maintaining the Plan are paid by the Plan.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared in compliance with the Department

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

of Labor Rules and Regulations for Reporting and Disclosure under ERISA. As allowed under Department of Labor Regulations, the financial statements have been prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities as the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's management determines the Plan's valuation policies utilizing information provided by the investment adviser, custodian and insurance company. See Note D for discussion of fair value measurements.

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

Undistributed Benefits

Benefits are recorded when paid.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the Internal Revenue Service (IRS) are recorded as a liability with a corresponding reduction to contributions. The Plan distributed the 2012 excess contributions to the applicable participants prior to March 15, 2013.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements

In May 2011, FASB issued Accounting Standards Update (ASU) No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.* The objective of this update is to improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRSs), by changing the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and disclosing information about fair value measurements. The amendments include those that clarify FASB's intent about the application of existing fair value measurement and disclosure requirements and those that change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The ASU was effective for public entities during interim and annual periods beginning after December 15, 2011. Nonpublic entities may early implement during interim periods beginning after December 15, 2011. Some of the disclosures required by the amendments in the ASU are not required for nonpublic entities. The Plan has adopted the provisions of ASU 2011-04 for the period ending December 31, 2012 with no material impact on its financial statements.

NOTE C – CUSTODIAN CERTIFICATION

At December 31, 2012 and 2011, the Plan's investments were held by Wells Fargo Bank, N.A., the Custodian of the Plan (the Custodian). The following is a summary of the Plan's financial information that is included in the financial statements based on information certified by the Custodian as complete and accurate in accordance with 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and disclosure under the ERISA of 1974.

The fair value of investments and notes receivable from participants at unpaid principal balance plus accrued interest at December 31, 2012 and 2011, and investment income and interest income on notes receivable from participants, for the years ended December 31, 2012 and 2011, as reported by the Custodian are summarized as follows:

NOTE C – CUSTODIAN CERTIFICATION (Continued)

	2012		2011	
Investments:				
Wells Fargo Advantage Cash Invest Money Markets	$ 3,291,108	*	$ 3,167,348	*
Wells Fargo Advantage Index ADM	2,068,977	*	1,978,221	*
John Hancock Disciplined Value Mid Cap A	653,343		-	
T Rowe Price Value Admin	1,070,898	*	939,093	*
Wells Fargo Short Duration Government Bond	862,939	*	774,002	*
Goldman Sachs Mid Cap Value (A)	-		604,358	
MFS Research International (R3)	659,736		574,832	
Wells Fargo Advantage Precious Metals (A)	534,076		545,792	
Invesco Energy (A)	38,763		35,634	
Janus Balanced (S)	663,489		624,656	
Janus Flexible Bond (T)	1,018,236	*	565,886	
Wells Fargo Advantage Emerging Growth Adm	930,473	*	1,191,795	*
Janus Growth and Income (T)	-		402,227	
American Century Equity Income	486,970		396,852	
T. Rowe Price Blue Chip Growth	528,684		-	
Wells Fargo Advantage Dow Jones TRGT Today	9,882		6,418	
Wells Fargo Advantage Dow Jones TRGT 2010	10,073		4,561	
Wells Fargo Advantage Dow Jones TRGT 2020	76,064		52,975	
Wells Fargo Advantage Dow Jones TRGT 2030	26,620		19,224	
Wells Fargo Advantage Dow Jones TRGT 2040	58,390		40,606	
Wells Fargo Advantage Dow Jones TRGT 2050	6,327		4,039	
Total investments	12,995,048		11,928,519	
Notes receivable from participants	699,745		870,609	
Total investments and notes receivable from participants held at year end	$ 13,694,793		$ 12,799,128	

* Investments representing 5% or more of net assets available for plan benefits.

	2012	2011
Earnings (loss) on investments:		
Net appreciation (depreciation) in fair value of investments	$ 864,903	$ (314,656)
Interest and dividends	156,079	137,341
Mutual fund rebate income	32,419	33,178
Total earnings (loss) on investments	$ 1,053,401	$ (144,137)
Interest income on notes receivable from participants	$ 32,443	$ 41,680

NOTE D – FAIR VALUE MEASUREMENTS

Fair value measurements are based on a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

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

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

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

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.

Mutual funds: Valued at the quoted net asset value of shares held by the Plan at year end. The share value is based on the quoted price at the end of the day on the active market in which the individual mutual funds are traded

The methods described above 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.

The following table sets forth by level, within the fair value hierarchy, the Plan's underlying investments in mutual funds at fair value as of December 31, 2012 and 2011.

NOTE D – FAIR VALUE MEASUREMENTS (Continued)

	Fair Value Measurements as of December 31, 2012			
Description	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds:				
Money Market	$ 3,291,108	$ 3,291,108	$ -	$ -
Bond	1,881,175	1,881,175	-	-
Balanced	663,489	663,489	-	-
Large cap	4,155,529	4,155,529	-	-
Mid cap	653,343	653,343	-	-
Small cap	930,473	930,473	-	-
Global/international	659,736	659,736	-	-
Specialty	572,839	572,839	-	-
Target date funds	187,356	187,356	-	-
Total mutual funds, at fair value	$ 12,995,048	$ 12,995,048	$ -	$ -

	Fair Value Measurements as of December 31, 2011			
Description	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds:				
Money Market	$ 3,167,348	$ 3,167,348	$ -	$ -
Bond	1,339,888	1,339,888	-	-
Balanced	624,656	624,656	-	-
Large cap	3,716,393	3,716,393	-	-
Mid cap	604,358	604,358	-	-
Small cap	1,191,795	1,191,795	-	-
Global/international	574,832	574,832	-	-
Specialty	581,426	581,426		
Target date funds	127,823	127,823	-	-
Total mutual funds, at fair value	$ 11,928,519	$ 11,928,519	$ -	$ -

NOTE E – RISKS AND UNCERTAINTIES

The Plan provides for various investment options in any combination of equity, fixed-income, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits and the statements of changes in net assets available for benefits. In addition, the Plan held substantially all of its assets with one institution. In the event of the institution's failure, the Plan could be subject to losses.

NOTE F – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan, subject to the provisions of ERISA. In the event of Plan termination, all participants would become fully vested in their accounts and the Employer will arrange for distributions of all participants' accounts to the participants or their designated beneficiaries in accordance with the terms of the Plan.

NOTE G – RELATED PARTY TRANSACTIONS

The Plan invests in shares of mutual funds managed by an affiliate of Wells Fargo Bank, N.A. Wells Fargo Bank, N.A. acts as asset custodian for only those investments defined by the Plan. Transactions in such investments qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules.

NOTE H – TAX STATUS

The plan is a prototype non-standardized profit sharing plan with CODA, which is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The IRS has determined and informed Wells Fargo Bank N.A., the organization that offers the prototype Plan, by a letter dated August 30, 2001 that the Plan and related trust are designed in accordance with applicable sections of the IRC. The plan has been amended since receiving the opinion letter. The plan administrator believes that the plan is currently designed, and is being operated, in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. There were no uncertain tax positions as of and for the years ended December 31, 2012 and 2011. The Plan is subject to routine audits by taxing jurisdictions;

NOTE H – TAX STATUS (Continued)

however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2009.

NOTE I – SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 6, 2013, the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULE

MAG INSTRUMENT, INC. PROFIT SHARING PLAN

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
SCHEDULE H, LINE 4i
EMPLOYER ID NUMBER 95-2912384, PLAN NUMBER 001

DECEMBER 31, 2011

(a)	(b)Identity of issue, borrower lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
*	Wells Fargo International	Wells Fargo Advantage Cash Invest Money Markets	**	$ 3,291,108
*	Wells Fargo International	Wells Fargo Advantage Index ADM	**	2,068,977
*	Wells Fargo International	John Hancock Disciplined Value Mid Cap A	**	653,343
*	Wells Fargo International	T Rowe Price Value Admin	**	1,070,898
*	Wells Fargo International	Wells Fargo Short Duration Government Bond	**	862,939
*	Wells Fargo International	MFS Research International (R3)	**	659,736
*	Wells Fargo International	Wells Fargo Advantage Precious Metals (A)	**	534,076
*	Wells Fargo International	Invesco Energy (A)	**	38,763
*	Wells Fargo International	Janus Balanced (S)	**	663,489
*	Wells Fargo International	Janus Flexible Bond (T)	**	1,018,236
*	Wells Fargo International	Wells Fargo Advantage Emerging Growth Adm	**	930,473
*	Wells Fargo International	American Century Equity Income	**	486,970
*	Wells Fargo International	T. Rowe Price Blue Chip Growth	**	528,684
*	Wells Fargo International	Wells Fargo Advantage Dow Jones TRGT Today	**	9,882
*	Wells Fargo International	Wells Fargo Advantage Dow Jones TRGT 2010	**	10,073
*	Wells Fargo International	Wells Fargo Advantage Dow Jones TRGT 2020	**	76,064
*	Wells Fargo International	Wells Fargo Advantage Dow Jones TRGT 2030	**	26,620
*	Wells Fargo International	Wells Fargo Advantage Dow Jones TRGT 2040	**	58,390
*	Wells Fargo International	Wells Fargo Advantage Dow Jones TRGT 2050	**	6,327
	Total investments		-	12,995,048
	Participant loans	Interest rate of 4.25% to 9.25%	-	699,745
	Total assets held at year end		$ -	$ 13,694,793

* *Party-in-interest*
** *Historical cost information is not required for participant directed investments.*

See accompanying independent auditor's report.

MAG INSTRUMENT, INC. PROFIT SHARING PLAN

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
SCHEDULE H, LINE 4i
EMPLOYER ID NUMBER 95-2912384, PLAN NUMBER 001

DECEMBER 31, 2011

(a)	(b)Identity of issue, borrower lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
*	Wells Fargo International	Wells Fargo Advantage Cash Invest Money Markets	**	$ 3,291,108
*	Wells Fargo International	Wells Fargo Advantage Index ADM	**	2,068,977
*	Wells Fargo International	John Hancock Disciplined Value Mid Cap A	**	653,343
*	Wells Fargo International	T Rowe Price Value Admin	**	1,070,898
*	Wells Fargo International	Wells Fargo Short Duration Government Bond	**	862,939
*	Wells Fargo International	MFS Research International (R3)	**	659,736
*	Wells Fargo International	Wells Fargo Advantage Precious Metals (A)	**	534,076
*	Wells Fargo International	Invesco Energy (A)	**	38,763
*	Wells Fargo International	Janus Balanced (S)	**	663,489
*	Wells Fargo International	Janus Flexible Bond (T)	**	1,018,236
*	Wells Fargo International	Wells Fargo Advantage Emerging Growth Adm	**	930,473
*	Wells Fargo International	American Century Equity Income	**	486,970
*	Wells Fargo International	T. Rowe Price Blue Chip Growth	**	528,684
*	Wells Fargo International	Wells Fargo Advantage Dow Jones TRGT Today	**	9,882
*	Wells Fargo International	Wells Fargo Advantage Dow Jones TRGT 2010	**	10,073
*	Wells Fargo International	Wells Fargo Advantage Dow Jones TRGT 2020	**	76,064
*	Wells Fargo International	Wells Fargo Advantage Dow Jones TRGT 2030	**	26,620
*	Wells Fargo International	Wells Fargo Advantage Dow Jones TRGT 2040	**	58,390
*	Wells Fargo International	Wells Fargo Advantage Dow Jones TRGT 2050	**	6,327
	Total investments		-	12,995,048
	Participant loans	Interest rate of 4.25% to 9.25%	-	699,745
	Total assets held at year end		$ -	$ 13,694,793

* *Party-in-interest*
** *Historical cost information is not required for participant directed investments.*

See accompanying independent auditor's report.