

<b>Form 5500</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Annual Return/Report of Employee Benefit Plan</b>  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).  <p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p>	OMB Nos. 1210-0110 1210-0089  <b>2012</b>  <b>This Form is Open to Public Inspection</b>
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<b>Part I</b>	<b>Annual Report Identification Information</b>
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>	
A This return/report is for:	<input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or <input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____
B This return/report is:	<input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here. . . . .	<input type="checkbox"/>
D Check box if filing under:	<input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description)

<b>Part II</b>	<b>Basic Plan Information</b> —enter all requested information		
<b>1a</b> Name of plan APPLIED TECHNICAL SERVICES RETIREMENT SAVINGS & INVESTMENT PLAN	<b>1b</b> Three-digit plan number (PN) ▶ <u>001</u>	<b>1c</b> Effective date of plan <u>01/01/1996</u>	
<b>2a</b> Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)  APPLIED TECHNICAL SERVICES  6300 MERRILL CREEK PARKWAY A-100 EVERETT, WA 98203	<b>2b</b> Employer Identification Number (EIN) <u>91-1272229</u>	<b>2c</b> Sponsor's telephone number <u>425-249-5555</u>	<b>2d</b> Business code (see instructions) <u>541519</u>

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

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

<b>SIGN HERE</b>	Filed with authorized/valid electronic signature.	10/09/2013	SUZETTE MCCLELLAND
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
<b>SIGN HERE</b>	Filed with authorized/valid electronic signature.	10/09/2013	SUZETTE MCCLELLAND
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
<b>SIGN HERE</b>			
	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)

<b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address  APPLIED TECHNICAL SERVICES 6300 MERRILL CREEK PARKWAY A-100 EVERETT, WA 98203		<b>3b</b> Administrator's EIN 91-1272229
		<b>3c</b> Administrator's telephone number 425-249-5555
<b>4</b> 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: <b>a</b> Sponsor's name		<b>4b</b> EIN  <b>4c</b> PN
<b>5</b> Total number of participants at the beginning of the plan year		<b>5</b> 232
<b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).		
<b>a</b> Active participants.....	<b>6a</b>	174
<b>b</b> Retired or separated participants receiving benefits.....	<b>6b</b>	0
<b>c</b> Other retired or separated participants entitled to future benefits.....	<b>6c</b>	20
<b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....	<b>6d</b>	194
<b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	<b>6e</b>	1
<b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....	<b>6f</b>	195
<b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	<b>6g</b>	50
<b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<b>6h</b>	0
<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....		<b>7</b>
<b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2T 3D		
<b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
<b>9a</b> Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor		<b>9b</b> Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
<b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
<b>a Pension Schedules</b> (1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information) (2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		<b>b General Schedules</b> (1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information) (2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan) (3) <input type="checkbox"/> <b>A</b> (Insurance Information) (4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information) (5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information) (6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)

<b>SCHEDULE C</b> <b>(Form 5500)</b> Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	<b>Service Provider Information</b> This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ <b>File as an attachment to Form 5500.</b>	OMB No. 1210-0110
		<b>2012</b>
		<b>This Form is Open to Public Inspection.</b>

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

<b>A</b> Name of plan <b>APPLIED TECHNICAL SERVICES RETIREMENT SAVINGS &amp; INVESTMENT PLAN</b>	<b>B</b> Three-digit plan number (PN) ▶ <b>001</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>APPLIED TECHNICAL SERVICES</b>	<b>D</b> Employer Identification Number (EIN) <b>91-1272229</b>

**Part I Service Provider Information (see instructions)**

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

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

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

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

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

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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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 37 65	RECORDKEEPER	820	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

**(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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

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

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

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

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

**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.	

**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.

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

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>SCHEDULE H</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Financial Information</b>  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).  <b>► File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2012</b>  <b>This Form is Open to Public Inspection</b>
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>		
<b>A</b> Name of plan <u>APPLIED TECHNICAL SERVICES RETIREMENT SAVINGS &amp; INVESTMENT PLAN</u>		<b>B</b> Three-digit plan number (PN) <u>001</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>APPLIED TECHNICAL SERVICES</u>		<b>D</b> Employer Identification Number (EIN) <u>91-1272229</u>

Part I Asset and Liability Statement			
<b>1</b> 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. <b>Round off amounts to the nearest dollar.</b> 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
<b>a</b> Total noninterest-bearing cash .....	<b>1a</b>		
<b>b</b> Receivables (less allowance for doubtful accounts):			
<b>(1)</b> Employer contributions .....	<b>1b(1)</b>		
<b>(2)</b> Participant contributions .....	<b>1b(2)</b>		
<b>(3)</b> Other.....	<b>1b(3)</b>		
<b>c</b> General investments:			
<b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....	<b>1c(1)</b>	119343	114481
<b>(2)</b> U.S. Government securities.....	<b>1c(2)</b>		
<b>(3)</b> Corporate debt instruments (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(3)(A)</b>		
<b>(B)</b> All other.....	<b>1c(3)(B)</b>		
<b>(4)</b> Corporate stocks (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(4)(A)</b>		
<b>(B)</b> Common .....	<b>1c(4)(B)</b>		
<b>(5)</b> Partnership/joint venture interests .....	<b>1c(5)</b>		
<b>(6)</b> Real estate (other than employer real property) .....	<b>1c(6)</b>		
<b>(7)</b> Loans (other than to participants) .....	<b>1c(7)</b>		
<b>(8)</b> Participant loans .....	<b>1c(8)</b>	9524	17191
<b>(9)</b> Value of interest in common/collective trusts.....	<b>1c(9)</b>		
<b>(10)</b> Value of interest in pooled separate accounts.....	<b>1c(10)</b>		
<b>(11)</b> Value of interest in master trust investment accounts .....	<b>1c(11)</b>		
<b>(12)</b> Value of interest in 103-12 investment entities .....	<b>1c(12)</b>		
<b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....	<b>1c(13)</b>	1349613	1582755
<b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....	<b>1c(14)</b>		
<b>(15)</b> Other .....	<b>1c(15)</b>		

**1d** Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities .....	<b>1d(1)</b>		
(2) Employer real property .....	<b>1d(2)</b>		
<b>e</b> Buildings and other property used in plan operation .....	<b>1e</b>		
<b>f</b> Total assets (add all amounts in lines 1a through 1e) .....	<b>1f</b>	1478480	1714427

**Liabilities**

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

**Net Assets**

<b>l</b> Net assets (subtract line 1k from line 1f) .....	<b>1l</b>	1478480	1714427
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**Part II Income and Expense Statement**

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

**Income**

		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: <b>(A)</b> Employers .....	<b>2a(1)(A)</b>		
<b>(B)</b> Participants .....	<b>2a(1)(B)</b>	164661	
<b>(C)</b> Others (including rollovers) .....	<b>2a(1)(C)</b>		
(2) Noncash contributions .....	<b>2a(2)</b>		
(3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> .....	<b>2a(3)</b>		164661
<b>b Earnings on investments:</b>			
(1) Interest:			
<b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....	<b>2b(1)(A)</b>	12	
<b>(B)</b> U.S. Government securities .....	<b>2b(1)(B)</b>		
<b>(C)</b> Corporate debt instruments .....	<b>2b(1)(C)</b>		
<b>(D)</b> Loans (other than to participants) .....	<b>2b(1)(D)</b>		
<b>(E)</b> Participant loans .....	<b>2b(1)(E)</b>	1707	
<b>(F)</b> Other .....	<b>2b(1)(F)</b>		
<b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....	<b>2b(1)(G)</b>		1719
(2) Dividends: <b>(A)</b> Preferred stock .....	<b>2b(2)(A)</b>		
<b>(B)</b> Common stock .....	<b>2b(2)(B)</b>		
<b>(C)</b> Registered investment company shares (e.g. mutual funds) .....	<b>2b(2)(C)</b>	35631	
<b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....	<b>2b(2)(D)</b>		35631
(3) Rents .....	<b>2b(3)</b>		
(4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....	<b>2b(4)(A)</b>		
<b>(B)</b> Aggregate carrying amount (see instructions) .....	<b>2b(4)(B)</b>		
<b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....	<b>2b(4)(C)</b>		
(5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....	<b>2b(5)(A)</b>		
<b>(B)</b> Other .....	<b>2b(5)(B)</b>		
<b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....	<b>2b(5)(C)</b>		

		(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)		143449
c Other income.....	2c		
d Total income. Add all <b>income</b> amounts in column (b) and enter total.....	2d		345460

**Expenses**

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers .....	2e(1)	97556	
(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)		97556
f Corrective distributions (see instructions) .....	2f		11129
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees .....	2i(1)		
(2) Contract administrator fees .....	2i(2)		
(3) Investment advisory and management fees .....	2i(3)		
(4) Other .....	2i(4)	828	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		828
j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total.....	2j		109513

**Net Income and Reconciliation**

k Net income (loss). Subtract line 2j from line 2d.....	2k		235947
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan .....	2l(2)		

**Part III Accountant's Opinion**

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

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

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

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

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

(1) Name: **VISSE & COMPANY, CPAS**

(2) EIN: **54-2088418**

**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:

**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.).....

**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.).....

	Yes	No	Amount
4a	X		127
4b		X	

	Yes	No	Amount
<b>c</b> 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.) .....		X	
<b>d</b> 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.).....		X	
<b>e</b> Was this plan covered by a fidelity bond?.....	X		150000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....		X	
<b>g</b> 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? .....		X	
<b>h</b> 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? .....		X	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
<b>j</b> 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.).....		X	
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
<b>l</b> Has the plan failed to provide any benefit when due under the plan? .....		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
<b>n</b> 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. ....		X	

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  
 If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

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

**5b(1)** Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

## Part V Trust Information (optional)

**6a** Name of trust

**6b** Trust's EIN

<b>SCHEDULE R</b> <b>(Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Retirement Plan Information</b>  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).  ▶ <b>File as an attachment to Form 5500.</b>	OMB No. 1210-0110  <b>2012</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

<b>A</b> Name of plan <u>APPLIED TECHNICAL SERVICES RETIREMENT SAVINGS &amp; INVESTMENT PLAN</u>	<b>B</b> Three-digit plan number (PN) ▶ <u>001</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>APPLIED TECHNICAL SERVICES</u>	<b>D</b> Employer Identification Number (EIN) <u>91-1272229</u>

<b>Part I</b>	<b>Distributions</b>
---------------	----------------------

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

<b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	<b>1</b>	<u>0</u>
<b>2</b> 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): <u>04-6568107</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
<b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	<b>3</b>	

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

<b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
If the plan is a defined benefit plan, go to line 8.			
<b>5</b> 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.		
<b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....	<b>6a</b>		
<b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....	<b>6b</b>		
<b>c</b> 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).....	<b>6c</b>		
If you completed line 6c, skip lines 8 and 9.			
<b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>8</b> 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?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

<b>Part III</b>	<b>Amendments</b>
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<b>9</b> 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.....	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input type="checkbox"/> No
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<b>Part IV</b>	<b>ESOPs</b> (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.
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<b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>11 a</b> Does the ESOP hold any preferred stock? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</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.).....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2012  
v. 120126

**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:

<b>a</b> The current year .....	<b>14a</b>	
<b>b</b> The plan year immediately preceding the current plan year .....	<b>14b</b>	
<b>c</b> The second preceding plan year .....	<b>14c</b>	

- 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:

<b>a</b> The corresponding number for the plan year immediately preceding the current plan year .....	<b>15a</b>	
<b>b</b> The corresponding number for the second preceding plan year .....	<b>15b</b>	

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

<b>a</b> Enter the number of employers who withdrew during the preceding plan year .....	<b>16a</b>	
<b>b</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 .....	<b>16b</b>	

- 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): \_\_\_\_\_

**Applied Technical Services  
Retirement Savings and Investment Plan**

**Financial Statements and  
Supplemental Schedule**

**December 31, 2012 and 2011**

**Applied Technical Services  
Retirement Savings and Investment Plan**

Financial Statements and  
Supplemental Schedule

December 31, 2012 and 2011

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## **INDEPENDENT AUDITOR'S REPORT**

To the Administrative Committee of the  
Applied Technical Services Retirement Savings and Investment Plan

### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of the Applied Technical Services Retirement Savings and Investment 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 8, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2012 and 2011, that the information provided to the plan administrator by the trustee is complete and accurate.

## **INDEPENDENT AUDITOR'S REPORT, continued**

### **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 of Assets held for Investment Purposes, 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 is 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 schedules 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 trustee, 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.

*Visse & Company, CPAs*

Visse & Company, CPAs  
Bellevue, Washington  
September 11, 2013

**APPLIED TECHNICAL SERVICES**  
**RETIREMENT SAVINGS AND INVESTMENT PLAN**  
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**  
**December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Investments at fair value:		
Money market funds	\$ 114,481	\$ 119,343
Mutual funds	<u>1,582,755</u>	<u>1,349,613</u>
Total investments	<u>1,697,236</u>	<u>1,468,956</u>
Receivables:		
Participants contributions receivable	127	-
Notes receivable from participants	<u>17,191</u>	<u>9,524</u>
	<u>17,318</u>	<u>9,524</u>
<b>TOTAL ASSETS</b>	<u>1,714,554</u>	<u>1,478,480</u>
 <b>NET ASSETS AVAILABLE FOR BENEFITS</b>	 <u>\$ 1,714,554</u>	 <u>\$ 1,478,480</u>

**APPLIED TECHNICAL SERVICES**  
**RETIREMENT SAVINGS AND INVESTMENT PLAN**  
**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**For the Years Ended December 31, 2012 and 2011**

	<u>2012</u>	<u>2011 *</u>
<b>ADDITIONS</b>		
Additions to net assets attributed to:		
Investment income:		
Net appreciation in fair value of investments	\$ 143,449	\$ -
Interest and dividends	<u>37,350</u>	<u>40,319</u>
Total investment income	<u>180,799</u>	<u>40,319</u>
Contributions:		
Participant deferrals	164,788	174,986
Participant rollover contributions	<u>-</u>	<u>8,992</u>
Total contributions	<u>164,788</u>	<u>183,978</u>
<b>TOTAL ADDITIONS</b>	<u>345,587</u>	<u>224,297</u>
 <b>DEDUCTIONS</b>		
Deductions from net assets attributed to:		
Net depreciation in fair value of investments	-	54,470
Benefits paid to participants	97,556	393,914
Corrective distributions	11,129	30,570
Administrative expenses	<u>828</u>	<u>426</u>
<b>TOTAL DEDUCTIONS</b>	<u>109,513</u>	<u>479,380</u>
<b>NET INCREASE (DECREASE)</b>	<u>236,074</u>	<u>(255,083)</u>
 <b>NET ASSETS AVAILABLE FOR BENEFITS</b>		
Beginning of year	<u>1,478,480</u>	<u>1,733,563</u>
End of year	<u>\$ 1,714,554</u>	<u>\$ 1,478,480</u>

\* Restated to reflect changes in categorization

**APPLIED TECHNICAL SERVICES  
RETIREMENT SAVINGS AND INVESTMENT PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012 and 2011**

**Note 1. – DESCRIPTION OF PLAN**

The following description of the Applied Technical Services Retirement Savings and Investment 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.** Applied Technical Services (the “Company”) sponsors the Plan, a defined contribution plan covering eligible employees who have completed six months of service and are at least 21 years of age, except employees who are covered by a collective bargaining agreement. The Plan was effective on January 1, 1996 and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

**Contributions.** Each year, participants may contribute up to 35 percent of their pretax compensation for each period, plus 100 percent of bonuses or compensation paid in the last month of the year, up to the maximum amount permitted by the law. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute rollover amounts representing distributions from other qualified defined benefit or contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan, which currently include 35 mutual fund choices with Fidelity Investments.

The Company may elect to make discretionary matching, and profit sharing contributions for each year to be allocated to eligible participants. To be eligible for profit sharing contributions a participant must complete at least 1,000 hours of service during the Plan Year and be employed as of the last day of the Plan Year. A participant will also be eligible to share in a profit sharing contribution for the Plan Year in cases of death, disability or retirement, regardless of the number of hours of service credited for such an individual during that year. For the years ended December 31, 2012 and 2011 there were no discretionary matching or profit sharing contributions made by the Company.

**Participant Accounts.** Each participant’s account is credited with the participant’s contributions, earnings from individually directed investment accounts and allocations of the Company’s contributions. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

**Notes Receivable from Participants.** Participants may borrow from their fund accounts up to a maximum of \$50,000 or 50% of their vested account balance, whichever is less. The loans are secured by the balance in the participant’s account and bear interest at rates which are commensurate with banks or professional lenders making loans in similar circumstances. Payments for loans must be made at least quarterly over a reasonable time period, not to exceed five years, except for a loan used to acquire a principal residence.

**APPLIED TECHNICAL SERVICES  
RETIREMENT SAVINGS AND INVESTMENT PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012 and 2011**

**Note 1. – DESCRIPTION OF PLAN, continued**

***Vesting.*** Participants are vested immediately in their own contributions plus actual earnings thereon. Vesting in the Company's profit-sharing contribution portion of their accounts plus actual earnings thereon is based on credited years of service with the Company. A participant begins to vest after two years of credited service, and is 100% vested after six years of credited service. (A year of service for vesting is considered a plan year in which an employee is credited with 1,000 or more hours of service.)

***Payment of Benefits.*** Upon termination of service due to death, disability, retirement or termination of employment, a participant, or their beneficiary in the case of death, will receive a benefit equal to the value of the participant's vested interest in his or her account in the form of a lump-sum.

**Note 2. – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The financial statements of the Plan are prepared under the accrual method of accounting.

***Estimates***

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

***Investment Valuation and Income Recognition***

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See note 3 for discussion on fair value measurements.

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

***Notes Receivable from Participants***

Notes receivable from participants are reported at their unpaid balances plus any accrued but unpaid interest.

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**APPLIED TECHNICAL SERVICES  
RETIREMENT SAVINGS AND INVESTMENT PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012 and 2011**

**Note 2. – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

***Payment of Benefits***

Benefits are recorded when paid.

***Administrative Expenses.*** Substantially all of the administrative expenses are absorbed by the Company. The Plan permits payment of Plan related expenses to be made from plan assets if the Company elects not to absorb the expenses. Investment related expenses are deducted from the net gain or loss.

***Date of Management's Review***

Subsequent events were evaluated through September 11, 2013, which is the date the financial statements were available to be issued.

**Note 3. – FAIR VALUE MEASUREMENTS**

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefit. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

***Level 1 Fair Value Measurements***

The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year-end.

Continued on page 8 –

**APPLIED TECHNICAL SERVICES  
RETIREMENT SAVINGS AND INVESTMENT PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012 and 2011**

**Note 3. – FAIR VALUE MEASUREMENTS, continued**

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2012 and 2011:

	<u><b>Fair Value</b></u>	<b>Fair Value Mea- surements using: Quoted Prices in Active Markets for Identical Assets (Level 1)</b>
<b>December 31, 2012</b>		
Mutual Funds	\$ 1,582,755	\$ 1,582,755
Money Market Funds	<u>114,481</u>	<u>114,481</u>
Total	<u><u>\$ 1,697,236</u></u>	<u><u>\$ 1,697,236</u></u>
 Mutual Funds	 \$ 1,349,613	 \$ 1,349,613
Money Market Funds	<u>119,343</u>	<u>119,343</u>
Total	<u><u>\$ 1,468,956</u></u>	<u><u>\$ 1,468,956</u></u>

**APPLIED TECHNICAL SERVICES  
RETIREMENT SAVINGS AND INVESTMENT PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012 and 2011**

**Note 4. – INVESTMENTS**

The following presents investments that represent 5% or more of the Plan's net assets:

	<i>December 31,</i>	
	<u>2012</u>	<u>2011</u>
Fidelity Contrafund	\$ 86,553	\$ 62,181 *
Fidelity Growth Company	103,790	78,191
Fidelity Freedom 2010 Fund	238,789	72,475
Fidelity Freedom 2020 Fund	406,913	350,406
Fidelity Freedom 2030 Fund	45,517 *	187,333
Fidelity Money Market Fund	114,481	119,343
Fidelity Freedom Income	35,720 *	99,719

\* - Investment did not represent 5% of the Plan's net assets in the year noted.

During 2012 and 2011, the Plan's investments, including gains and losses on investments bought and sold, as well as held during the year, appreciated (depreciated) in value by \$179,080 and (\$14,736), respectively.

**Note 5. – PLAN TERMINATION**

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

**Note 6. – TAX STATUS**

The Company adopted a standardized prototype retirement plan prepared by Fidelity Management & Research Company. The Internal Revenue Service has determined and informed Fidelity Management & Research Company by letter dated October 9, 2003, that the Plan and related trust are designed in accordance with the applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

**Note 7. – RISKS AND UNCERTAINTIES**

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

**APPLIED TECHNICAL SERVICES  
RETIREMENT SAVINGS AND INVESTMENT PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012 and 2011**

**Note 8. – INFORMATION CERTIFIED BY THE PLAN’S TRUSTEE**

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company, the trustee, has certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate.

	<i>December 31,</i>	
	<u>2012</u>	<u>2011</u>
Investments, at fair value:		
Money market funds	\$ 114,481	\$ 119,343
Mutual funds	<u>1,582,755</u>	<u>1,349,613</u>
	1,697,236	1,468,956
Receivables:		
Notes receivable from participants	<u>17,191</u>	<u>9,524</u>
	<u>\$ 1,714,427</u>	<u>\$ 1,478,480</u>
	<i>Years ended December 31,</i>	
	<u>2012</u>	<u>2011</u>
Net appreciation (depreciation) in fair value of investments	\$ 143,449	\$ (54,470)
Interest and dividends	<u>37,350</u>	<u>40,319</u>
Total Investment Income (Loss)	<u>\$ 180,799</u>	<u>\$ (14,151)</u>

The Plan’s independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

**APPLIED TECHNICAL SERVICES  
RETIREMENT SAVINGS AND INVESTMENT PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012 and 2011**

**Note 9 – RECONCILIATION TO FORM 5500**

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2012 and 2011 to Form 5500:

Net assets available for benefits		
per financial statements	\$ 1,714,554	\$ 1,478,480
Participant contributions receivable	<u>127</u>	<u>-</u>
Net assets available for benefits per Form 5500	<u>\$ 1,714,427</u>	<u>\$ 1,478,480</u>

The following is a reconciliation of participant contributions per the financial statements for the years ended December 31, 2012 and 2011 to Form 5500:

Participant contributions per the		
financial statements	\$ 164,788	\$ 174,986
Add: Prior year contributions receivable	-	5,147
Less: Current year contributions receivable	<u>127</u>	<u>-</u>
Participant contributions per the Form 5500	<u>\$ 164,661</u>	<u>\$ 180,133</u>

**Note 10 – EXCESS CONTRIBUTIONS**

The Plan did not satisfy the required nondiscrimination tests during 2012 and 2011. Certain highly compensated employees in the Plan had excess contributions, including earnings or losses thereon, totaling \$14,710 and \$11,129, respectively, which were returned in the subsequent year in a timely manner to satisfy the relevant nondiscrimination provisions of the Plan. The excess contributions and earnings or losses thereon are recorded as corrective distributions in the year paid.

**Note 11 – RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS**

Certain mutual funds held as investments by the Plan in 2012 and 2011 are managed by Fidelity Investments, the trustee and custodian of the Plan, and therefore these transactions qualify as party-in-interest transactions.

## **SUPPLEMENTAL SCHEDULE**

**APPLIED TECHNICAL SERVICES**  
**RETIREMENT SAVINGS AND INVESTMENT PLAN**  
**December 31, 2012**  
**EIN: 91- 1272229                      PLAN # 001**

**"Schedule H, line 4i - Schedule of Assets (Held At End of Year)"**

(a)	(b) Identity of issuer, 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
* Fidelity	Fidelity Fund	294.746 shares	n/a	\$ 10,555
* Fidelity	Puritan Fund	675.821 shares	n/a	13,118
* Fidelity	Value Strategies Fund	265.088 shares	n/a	8,393
* Fidelity	Contrafund	1,115.805 shares	n/a	86,553
* Fidelity	Equity Income Fund	98.996 shares	n/a	4,659
* Fidelity	Growth Company Fund	1,111.485 shares	n/a	103,790
* Fidelity	Investment Growth Bond Fund	5,161.387 shares	n/a	41,291
* Fidelity	Intermediate Bond Fund	4,684.176 shares	n/a	52,182
* Fidelity	Value Fund	147.194 shares	n/a	11,237
* Fidelity	Overseas Fund	1,256.261 shares	n/a	40,602
* Fidelity	Real Estate Investment Fund	1,754.590 shares	n/a	56,392
* Fidelity	Blue Chip Growth Fund	729.255 shares	n/a	35,770
* Fidelity	Low-Priced Stock Fund	761.614 shares	n/a	30,084
* Fidelity	Equity Div Income	321.324 shares	n/a	6,259
* Fidelity	Growth Strategies Fund	488.831 shares	n/a	10,124
* Fidelity	Diversified International Fund	1,325.166 shares	n/a	39,675
* Fidelity	Dividend Growth Fund	1,012.741 shares	n/a	30,281
* Fidelity	Export and Multinational Fund	335.256 shares	n/a	7,339
* Fidelity	Mid Cap Stock Fund	318.226 shares	n/a	9,349
* Fidelity	Large Cap Stock Fund	523.940 shares	n/a	10,736
* Fidelity	Freedom Income Fund	3,050.350 shares	n/a	35,720
* Fidelity	Freedom 2000 Fund	423.588 shares	n/a	5,240
* Fidelity	Freedom 2010 Fund	16,911.397 shares	n/a	238,789
* Fidelity	Freedom 2020 Fund	28,435.588 shares	n/a	406,913
* Fidelity	Freedom 2030 Fund	3,198.655 shares	n/a	45,517
* Fidelity	Small Cap Discovery Fund	2,105.852 shares	n/a	50,688
* Fidelity	Short Term Bond Fund	4,536.879 shares	n/a	39,017
* Fidelity	Fifty Fund	440.797 shares	n/a	8,904
* Fidelity	Freedom 2040 Fund	730.906 shares	n/a	6,037
* Fidelity	Freedom 2025 Fund	4,060.659 shares	n/a	48,525
* Fidelity	Freedom 2035 Fund	1,927.743 shares	n/a	22,805
* Fidelity	Small Cap Value Fund	480.713 shares	n/a	7,778
* Fidelity	Spartan Total Market Index Adv	1,392.990 shares	n/a	57,433
* Fidelity	Spartan Ext Market Index Adv	25.055 shares	n/a	1,000
* Fidelity	Money Market Account	114,481.000 shares	n/a	114,481
* Participant loans	Participant loans 5.75%		0	17,191
				\$ 1,714,427

\* Denotes party in interest

**Applied Technical Services  
Retirement Savings and Investment Plan**

**Financial Statements and  
Supplemental Schedule**

**December 31, 2012 and 2011**

**Applied Technical Services  
Retirement Savings and Investment Plan**

Financial Statements and  
Supplemental Schedule

December 31, 2012 and 2011

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## **INDEPENDENT AUDITOR'S REPORT**

To the Administrative Committee of the  
Applied Technical Services Retirement Savings and Investment Plan

### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of the Applied Technical Services Retirement Savings and Investment 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 8, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2012 and 2011, that the information provided to the plan administrator by the trustee is complete and accurate.

## **INDEPENDENT AUDITOR'S REPORT, continued**

### **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 of Assets held for Investment Purposes, 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 is 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 schedules 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 trustee, 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.

*Visse & Company, CPAs*

Visse & Company, CPAs  
Bellevue, Washington  
September 11, 2013

**APPLIED TECHNICAL SERVICES  
RETIREMENT SAVINGS AND INVESTMENT PLAN  
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Investments at fair value:		
Money market funds	\$ 114,481	\$ 119,343
Mutual funds	<u>1,582,755</u>	<u>1,349,613</u>
Total investments	<u>1,697,236</u>	<u>1,468,956</u>
Receivables:		
Participants contributions receivable	127	-
Notes receivable from participants	<u>17,191</u>	<u>9,524</u>
	<u>17,318</u>	<u>9,524</u>
<b>TOTAL ASSETS</b>	<u>1,714,554</u>	<u>1,478,480</u>
 <b>NET ASSETS AVAILABLE FOR BENEFITS</b>	 <u>\$ 1,714,554</u>	 <u>\$ 1,478,480</u>

**APPLIED TECHNICAL SERVICES**  
**RETIREMENT SAVINGS AND INVESTMENT PLAN**  
**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**For the Years Ended December 31, 2012 and 2011**

	<u>2012</u>	<u>2011 *</u>
<b>ADDITIONS</b>		
Additions to net assets attributed to:		
Investment income:		
Net appreciation in fair value of investments	\$ 143,449	\$ -
Interest and dividends	<u>37,350</u>	<u>40,319</u>
Total investment income	<u>180,799</u>	<u>40,319</u>
Contributions:		
Participant deferrals	164,788	174,986
Participant rollover contributions	<u>-</u>	<u>8,992</u>
Total contributions	<u>164,788</u>	<u>183,978</u>
<b>TOTAL ADDITIONS</b>	<u>345,587</u>	<u>224,297</u>
 <b>DEDUCTIONS</b>		
Deductions from net assets attributed to:		
Net depreciation in fair value of investments	-	54,470
Benefits paid to participants	97,556	393,914
Corrective distributions	11,129	30,570
Administrative expenses	<u>828</u>	<u>426</u>
<b>TOTAL DEDUCTIONS</b>	<u>109,513</u>	<u>479,380</u>
<b>NET INCREASE (DECREASE)</b>	<u>236,074</u>	<u>(255,083)</u>
 <b>NET ASSETS AVAILABLE FOR BENEFITS</b>		
Beginning of year	<u>1,478,480</u>	<u>1,733,563</u>
End of year	<u>\$ 1,714,554</u>	<u>\$ 1,478,480</u>

\* Restated to reflect changes in categorization

**APPLIED TECHNICAL SERVICES  
RETIREMENT SAVINGS AND INVESTMENT PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012 and 2011**

**Note 1. – DESCRIPTION OF PLAN**

The following description of the Applied Technical Services Retirement Savings and Investment 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.** Applied Technical Services (the “Company”) sponsors the Plan, a defined contribution plan covering eligible employees who have completed six months of service and are at least 21 years of age, except employees who are covered by a collective bargaining agreement. The Plan was effective on January 1, 1996 and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

**Contributions.** Each year, participants may contribute up to 35 percent of their pretax compensation for each period, plus 100 percent of bonuses or compensation paid in the last month of the year, up to the maximum amount permitted by the law. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute rollover amounts representing distributions from other qualified defined benefit or contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan, which currently include 35 mutual fund choices with Fidelity Investments.

The Company may elect to make discretionary matching, and profit sharing contributions for each year to be allocated to eligible participants. To be eligible for profit sharing contributions a participant must complete at least 1,000 hours of service during the Plan Year and be employed as of the last day of the Plan Year. A participant will also be eligible to share in a profit sharing contribution for the Plan Year in cases of death, disability or retirement, regardless of the number of hours of service credited for such an individual during that year. For the years ended December 31, 2012 and 2011 there were no discretionary matching or profit sharing contributions made by the Company.

**Participant Accounts.** Each participant’s account is credited with the participant’s contributions, earnings from individually directed investment accounts and allocations of the Company’s contributions. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

**Notes Receivable from Participants.** Participants may borrow from their fund accounts up to a maximum of \$50,000 or 50% of their vested account balance, whichever is less. The loans are secured by the balance in the participant’s account and bear interest at rates which are commensurate with banks or professional lenders making loans in similar circumstances. Payments for loans must be made at least quarterly over a reasonable time period, not to exceed five years, except for a loan used to acquire a principal residence.

**APPLIED TECHNICAL SERVICES  
RETIREMENT SAVINGS AND INVESTMENT PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012 and 2011**

**Note 1. – DESCRIPTION OF PLAN, continued**

***Vesting.*** Participants are vested immediately in their own contributions plus actual earnings thereon. Vesting in the Company's profit-sharing contribution portion of their accounts plus actual earnings thereon is based on credited years of service with the Company. A participant begins to vest after two years of credited service, and is 100% vested after six years of credited service. (A year of service for vesting is considered a plan year in which an employee is credited with 1,000 or more hours of service.)

***Payment of Benefits.*** Upon termination of service due to death, disability, retirement or termination of employment, a participant, or their beneficiary in the case of death, will receive a benefit equal to the value of the participant's vested interest in his or her account in the form of a lump-sum.

**Note 2. – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The financial statements of the Plan are prepared under the accrual method of accounting.

***Estimates***

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

***Investment Valuation and Income Recognition***

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See note 3 for discussion on fair value measurements.

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

***Notes Receivable from Participants***

Notes receivable from participants are reported at their unpaid balances plus any accrued but unpaid interest.

Continued on page 7 -

**APPLIED TECHNICAL SERVICES  
RETIREMENT SAVINGS AND INVESTMENT PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012 and 2011**

**Note 2. – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

***Payment of Benefits***

Benefits are recorded when paid.

***Administrative Expenses.*** Substantially all of the administrative expenses are absorbed by the Company. The Plan permits payment of Plan related expenses to be made from plan assets if the Company elects not to absorb the expenses. Investment related expenses are deducted from the net gain or loss.

***Date of Management's Review***

Subsequent events were evaluated through September 11, 2013, which is the date the financial statements were available to be issued.

**Note 3. – FAIR VALUE MEASUREMENTS**

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefit. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

***Level 1 Fair Value Measurements***

The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year-end.

Continued on page 8 –

**APPLIED TECHNICAL SERVICES  
RETIREMENT SAVINGS AND INVESTMENT PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012 and 2011**

**Note 3. – FAIR VALUE MEASUREMENTS, continued**

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2012 and 2011:

	<u><b>Fair Value</b></u>	<b>Fair Value Mea- surements using: Quoted Prices in Active Markets for Identical Assets (Level 1)</b>
<b>December 31, 2012</b>		
Mutual Funds	\$ 1,582,755	\$ 1,582,755
Money Market Funds	<u>114,481</u>	<u>114,481</u>
Total	<u><u>\$ 1,697,236</u></u>	<u><u>\$ 1,697,236</u></u>
 Mutual Funds	 \$ 1,349,613	 \$ 1,349,613
Money Market Funds	<u>119,343</u>	<u>119,343</u>
Total	<u><u>\$ 1,468,956</u></u>	<u><u>\$ 1,468,956</u></u>

**APPLIED TECHNICAL SERVICES  
RETIREMENT SAVINGS AND INVESTMENT PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012 and 2011**

**Note 4. – INVESTMENTS**

The following presents investments that represent 5% or more of the Plan's net assets:

	<i>December 31,</i>	
	<u>2012</u>	<u>2011</u>
Fidelity Contrafund	\$ 86,553	\$ 62,181 *
Fidelity Growth Company	103,790	78,191
Fidelity Freedom 2010 Fund	238,789	72,475
Fidelity Freedom 2020 Fund	406,913	350,406
Fidelity Freedom 2030 Fund	45,517 *	187,333
Fidelity Money Market Fund	114,481	119,343
Fidelity Freedom Income	35,720 *	99,719

\* - Investment did not represent 5% of the Plan's net assets in the year noted.

During 2012 and 2011, the Plan's investments, including gains and losses on investments bought and sold, as well as held during the year, appreciated (depreciated) in value by \$179,080 and (\$14,736), respectively.

**Note 5. – PLAN TERMINATION**

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

**Note 6. – TAX STATUS**

The Company adopted a standardized prototype retirement plan prepared by Fidelity Management & Research Company. The Internal Revenue Service has determined and informed Fidelity Management & Research Company by letter dated October 9, 2003, that the Plan and related trust are designed in accordance with the applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

**Note 7. – RISKS AND UNCERTAINTIES**

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

**APPLIED TECHNICAL SERVICES  
RETIREMENT SAVINGS AND INVESTMENT PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012 and 2011**

**Note 8. – INFORMATION CERTIFIED BY THE PLAN’S TRUSTEE**

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company, the trustee, has certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate.

	<i>December 31,</i>	
	<u>2012</u>	<u>2011</u>
Investments, at fair value:		
Money market funds	\$ 114,481	\$ 119,343
Mutual funds	<u>1,582,755</u>	<u>1,349,613</u>
	1,697,236	1,468,956
Receivables:		
Notes receivable from participants	<u>17,191</u>	<u>9,524</u>
	<u>\$ 1,714,427</u>	<u>\$ 1,478,480</u>
	<i>Years ended December 31,</i>	
	<u>2012</u>	<u>2011</u>
Net appreciation (depreciation) in fair value of investments	\$ 143,449	\$ (54,470)
Interest and dividends	<u>37,350</u>	<u>40,319</u>
Total Investment Income (Loss)	<u>\$ 180,799</u>	<u>\$ (14,151)</u>

The Plan’s independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

**APPLIED TECHNICAL SERVICES  
RETIREMENT SAVINGS AND INVESTMENT PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012 and 2011**

**Note 9 – RECONCILIATION TO FORM 5500**

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2012 and 2011 to Form 5500:

Net assets available for benefits		
per financial statements	\$ 1,714,554	\$ 1,478,480
Participant contributions receivable	<u>127</u>	<u>-</u>
Net assets available for benefits per Form 5500	<u>\$ 1,714,427</u>	<u>\$ 1,478,480</u>

The following is a reconciliation of participant contributions per the financial statements for the years ended December 31, 2012 and 2011 to Form 5500:

Participant contributions per the		
financial statements	\$ 164,788	\$ 174,986
Add: Prior year contributions receivable	-	5,147
Less: Current year contributions receivable	<u>127</u>	<u>-</u>
Participant contributions per the Form 5500	<u>\$ 164,661</u>	<u>\$ 180,133</u>

**Note 10 – EXCESS CONTRIBUTIONS**

The Plan did not satisfy the required nondiscrimination tests during 2012 and 2011. Certain highly compensated employees in the Plan had excess contributions, including earnings or losses thereon, totaling \$14,710 and \$11,129, respectively, which were returned in the subsequent year in a timely manner to satisfy the relevant nondiscrimination provisions of the Plan. The excess contributions and earnings or losses thereon are recorded as corrective distributions in the year paid.

**Note 11 – RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS**

Certain mutual funds held as investments by the Plan in 2012 and 2011 are managed by Fidelity Investments, the trustee and custodian of the Plan, and therefore these transactions qualify as party-in-interest transactions.

## **SUPPLEMENTAL SCHEDULE**

**APPLIED TECHNICAL SERVICES**  
**RETIREMENT SAVINGS AND INVESTMENT PLAN**  
**December 31, 2012**  
**EIN: 91- 1272229                      PLAN # 001**

**"Schedule H, line 4i - Schedule of Assets (Held At End of Year)"**

(a)	(b) Identity of issuer, 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
* Fidelity	Fidelity Fund	294.746 shares	n/a	\$ 10,555
* Fidelity	Puritan Fund	675.821 shares	n/a	13,118
* Fidelity	Value Strategies Fund	265.088 shares	n/a	8,393
* Fidelity	Contrafund	1,115.805 shares	n/a	86,553
* Fidelity	Equity Income Fund	98.996 shares	n/a	4,659
* Fidelity	Growth Company Fund	1,111.485 shares	n/a	103,790
* Fidelity	Investment Growth Bond Fund	5,161.387 shares	n/a	41,291
* Fidelity	Intermediate Bond Fund	4,684.176 shares	n/a	52,182
* Fidelity	Value Fund	147.194 shares	n/a	11,237
* Fidelity	Overseas Fund	1,256.261 shares	n/a	40,602
* Fidelity	Real Estate Investment Fund	1,754.590 shares	n/a	56,392
* Fidelity	Blue Chip Growth Fund	729.255 shares	n/a	35,770
* Fidelity	Low-Priced Stock Fund	761.614 shares	n/a	30,084
* Fidelity	Equity Div Income	321.324 shares	n/a	6,259
* Fidelity	Growth Strategies Fund	488.831 shares	n/a	10,124
* Fidelity	Diversified International Fund	1,325.166 shares	n/a	39,675
* Fidelity	Dividend Growth Fund	1,012.741 shares	n/a	30,281
* Fidelity	Export and Multinational Fund	335.256 shares	n/a	7,339
* Fidelity	Mid Cap Stock Fund	318.226 shares	n/a	9,349
* Fidelity	Large Cap Stock Fund	523.940 shares	n/a	10,736
* Fidelity	Freedom Income Fund	3,050.350 shares	n/a	35,720
* Fidelity	Freedom 2000 Fund	423.588 shares	n/a	5,240
* Fidelity	Freedom 2010 Fund	16,911.397 shares	n/a	238,789
* Fidelity	Freedom 2020 Fund	28,435.588 shares	n/a	406,913
* Fidelity	Freedom 2030 Fund	3,198.655 shares	n/a	45,517
* Fidelity	Small Cap Discovery Fund	2,105.852 shares	n/a	50,688
* Fidelity	Short Term Bond Fund	4,536.879 shares	n/a	39,017
* Fidelity	Fifty Fund	440.797 shares	n/a	8,904
* Fidelity	Freedom 2040 Fund	730.906 shares	n/a	6,037
* Fidelity	Freedom 2025 Fund	4,060.659 shares	n/a	48,525
* Fidelity	Freedom 2035 Fund	1,927.743 shares	n/a	22,805
* Fidelity	Small Cap Value Fund	480.713 shares	n/a	7,778
* Fidelity	Spartan Total Market Index Adv	1,392.990 shares	n/a	57,433
* Fidelity	Spartan Ext Market Index Adv	25.055 shares	n/a	1,000
* Fidelity	Money Market Account	114,481.000 shares	n/a	114,481
* Participant loans	Participant loans 5.75%		0	17,191
				\$ 1,714,427

\* Denotes party in interest