

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2012 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
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:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>COAXIS, INC. 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>07/01/1990</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>07/01/1990</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>07/01/1990</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>COAXIS, INC.</u> <u>1515 SE WATER AVE STE 300</u> <u>PORTLAND, OR 97214</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>59-2993235</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>971-255-4646</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>541990</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>59-2993235</u>	2c Sponsor's telephone number <u>971-255-4646</u>	2d Business code (see instructions) <u>541990</u>	
2b Employer Identification Number (EIN) <u>59-2993235</u>					
2c Sponsor's telephone number <u>971-255-4646</u>					
2d Business code (see instructions) <u>541990</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature. Signature of plan administrator	10/14/2013 Date	RYAN RANDALL Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature. Signature of employer/plan sponsor	10/14/2013 Date	RYAN RANDALL Enter name of individual signing as employer or plan sponsor
SIGN HERE	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address COAXIS, INC. 1515 SE WATER AVE STE 300 PORTLAND, OR 97214		3b Administrator's EIN 59-2993235
		3c Administrator's telephone number 971-255-4646
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year		5 257
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	295
b Retired or separated participants receiving benefits.....	6b	1
c Other retired or separated participants entitled to future benefits.....	6c	47
d Subtotal. Add lines 6a , 6b , and 6c	6d	343
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	1
f Total. Add lines 6d and 6e	6f	344
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	327
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	19
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2R 2S 2T 3D		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 COAXIS, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 COAXIS, INC.	D Employer Identification Number (EIN) 59-2993235

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
FID.INV.INST.OPS.CO.

04-2647786

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

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

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

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 71 60	RECORDKEEPER	2148	Yes ☒ No ☐	Yes ☒ No ☐	0	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 ☐

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>AM CENT GOVT BD INV - AMERICAN CENT</p> <p>44-0619208</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.25%</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>FIDELITY INVESTMENTS INSTITUTIONAL</p>		
<p>(b) Service Codes (see instructions)</p> <p>60</p>		
<p>(c) Enter amount of indirect compensation</p> <p>0</p>		
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>ASTON/F MID CAP N - BNY MELLON INV P.O. BOX 9793 PROVIDENCE, RI 02940</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.40%</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>FIDELITY INVESTMENTS INSTITUTIONAL</p>		
<p>(b) Service Codes (see instructions)</p> <p>60</p>		
<p>(c) Enter amount of indirect compensation</p> <p>0</p>		
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>HARBOR INTL INV - PRINCIPAL SHAREHO</p> <p>34-1953399</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.40%</p>		

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<div style="text-align: center;">(d) Enter name and EIN (address) of source of indirect compensation</div>		
HEARTLAND VAL PLS IV - ALPS FUND SE	0.50%	
20-3247785		
<div style="text-align: center;">(a) Enter service provider name as it appears on line 2</div>		
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<div style="text-align: center;">(d) Enter name and EIN (address) of source of indirect compensation</div>		
INVS DEVELOP MKTS A - INVESCO CANAD	0.50%	
98-0557567		
<div style="text-align: center;">(a) Enter service provider name as it appears on line 2</div>		
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<div style="text-align: center;">(d) Enter name and EIN (address) of source of indirect compensation</div>		
INVS HIGH YLD R5 - INVESCO CANADA L	0.35%	
98-0557567		

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
MFS MA INV TRUST R3 - MFS SERVICE C 04-2865649	0.50%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
MSIF MID CAP GRTH P - MORGAN STANLE 13-3799749	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
OAKMARK EQ & INC I - BOSTON FINANCI P.O. BOX 8480 BOSTON, MA 02266	0.35%	

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PIMCO TOT RETURN ADM - BOSTON FINAN P.O. BOX 8480 BOSTON, MA 02266	0.27%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
RDGWTH MID CAP VAL I - BOSTON FINAN P.O. BOX 8480 BOSTON, MA 02266	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TCW SM CAP GRTH N - U.S. BANCORP FU P.O. BOX 701 MILWAUKEE, WI 53201	0.50%	

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.		
TRP EQUITY INC ADV - T. ROWE PRICE	0.40%	
52-2269240		
(a) Enter service provider name as it appears on line 2		
(b) Service Codes (see instructions)		
(c) Enter amount of indirect compensation		
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.		
WFA SM CAP VAL INV - BOSTON FINANCIAL	0.40%	
330 W. 9TH STREET KANSAS CITY, MO 64105		
(a) Enter service provider name as it appears on line 2		
(b) Service Codes (see instructions)		
(c) Enter amount of indirect compensation		
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.		
COHEN & STEERS	0.40%	
280 PARK AVENUE, 10TH FLOOR NEW YORK, NY 10017		

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 <div style="font-size: 1.5em; font-weight: bold;">2012</div> 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 COAXIS, INC. 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 COAXIS, INC.	D Employer Identification Number (EIN) 59-2993235	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	11871	16551
	(2) Participant contributions	1b(2)	36534	53877
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	1352959
	(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)	0	27793
	(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)	85841	187098
	(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)	12674401	14334146
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(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	12808647	15972424

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	0	13
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	13

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	12808647	15972411
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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
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	451645	
(B) Participants	2a(1)(B)	1671974	
(C) Others (including rollovers)	2a(1)(C)	358405	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2482024
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	771	
(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)	5915	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		6686
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	742	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	328843	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		329585
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	28217	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	28135	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		82
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	918	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		918

		(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)		1242983
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		4062278

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2058649	
(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)		2058649
f Corrective distributions (see instructions)	2f		
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)	119	
(4) Other	2i(4)	2086	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		2205
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2060854

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		2001424
l Transfers of assets:			
(1) To this plan.....	2l(1)		1162340
(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: **KPMG LLP**

(2) EIN: **13-5565207**

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	
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.)		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.).....		X	
e Was this plan covered by a fidelity bond?.....	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		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?		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?		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.).....	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.).....		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?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		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.		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

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

A Name of plan <u>COAXIS, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>COAXIS, INC.</u>	D Employer Identification Number (EIN) <u>59-2993235</u>

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	<u>0</u>
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): <u>04-6568107</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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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
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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.
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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): _____



COAXIS, INC.
401(k) PLAN

Financial Statements and Supplemental Schedule

December 31, 2012 and 2011

(With Independent Auditors' Report Thereon)

**COAXIS, INC.
401(k) PLAN**

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KPMG LLP
Suite 3800
1300 South West Fifth Avenue
Portland, OR 97201

Independent Auditors' Report

Investment Committee
Coaxis, Inc. 401(k) Plan
Portland, Oregon

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Coaxis, Inc. 401(k) plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related 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

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 5, which was certified by Fidelity Management Trust Company, the trustee of the Plan as of December 31, 2012 and 2011, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that Fidelity Management Trust Company held the Plan's investment assets and executed investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years then ended December 31, 2012 and 2011, that the information provided to the plan administrator by the trustee 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

The supplemental schedule H, line 4i – schedule of assets (held at end of year), as of December 31, 2012 is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on this supplemental schedule.

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

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustees, 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.

KPMG LLP

August 28, 2013

COAXIS, INC.
401(k) PLAN

Statements of Net Assets Available for Benefits

December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets:		
Investments, at fair value	\$ 15,714,885	12,674,401
Receivables:		
Employer's contributions	16,551	11,871
Participants' contributions	<u>53,877</u>	<u>36,534</u>
Total receivables	70,428	48,405
Notes receivable from participants	<u>187,098</u>	<u>85,841</u>
Net assets available for benefits	<u>\$ 15,972,411</u>	<u>12,808,647</u>

See accompanying notes to financial statements.

COAXIS, INC.
401(k) PLAN

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2012

Additions:

Investment income:

Net appreciation in fair value of investments	\$ 1,243,983
Interest and dividend income	<u>330,356</u>
Total investment income	<u>1,574,339</u>

Interest on note receivable from participants	5,915
---	-------

Contributions:

Participant contributions	1,671,975
Employer contributions	451,645
Participant rollovers	<u>358,405</u>

Total contributions	<u>2,482,025</u>
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Total additions	<u>4,062,279</u>
-----------------	------------------

Deductions:

Benefits paid to participants	2,058,649
Administrative expenses	<u>2,206</u>

Total deductions	<u>2,060,855</u>
------------------	------------------

Net increase in net assets available for benefits	2,001,424
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Assets transferred to plan by merger	1,162,340
--------------------------------------	-----------

Net assets available for benefits:

Beginning of year	<u>12,808,647</u>
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End of year	<u><u>\$ 15,972,411</u></u>
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See accompanying notes to financial statements.

COAXIS, INC.
401(k) PLAN

Notes to Financial Statements

December 31, 2012 and 2011

(1) Description of Plan

The following description of the Coaxis 401(k) Plan (the Plan) is provided for general information purposes only. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined contribution plan maintained for the benefit of all eligible employees of Coaxis, Inc. (the Company or Coaxis). The Plan's investment committee manages the operation and administration of the Plan. Fidelity Management Trust Company (Fidelity) serves as the trustee of the Plan. The plan sponsor and plan administrator is Coaxis. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

(b) Eligibility

Employees who are 21 years of age are eligible to participate in the Plan following three months of service. Eligible employees exclude (1) union employees, (2) certain nonresident aliens, (3) leased employees, and (4) temporary employees.

(c) Contributions

Contributions consist of employee elective deferrals and discretionary employer matching, rollovers and profit sharing contributions. Participants may voluntarily contribute up to 50% of their compensation to the Plan, limited to \$17,000 and \$16,500 in 2012 and 2011, respectively, subject to limitations under the Internal Revenue Code (IRC). Participants age 50 and older may elect to make additional catch-up contributions up to the maximum annual amount of \$5,500 in 2012 and 2011. In 2012 and 2011, the Company made matching contributions in the amount of 50% of the first 6% of compensation contributed. In addition, the Company may make a profit sharing contribution determined annually at the Company's discretion. The Company did not make profit sharing contributions during 2012 or 2011. Contributions are subject to other limits under the IRC.

Participants are automatically enrolled at a 3% deferral rate unless they elect otherwise.

(d) Participant Accounts

A participant account is valued daily and maintained for each participant, which is credited with the participant's contributions, the Company's contributions, and an allocation of plan earnings and expenses. Allocation of plan earnings and expenses is based upon participant account balances. The benefit to which a participant is entitled is the vested amount in their individual account.

(e) Vesting

Participants are immediately vested in their voluntary contributions and actual earnings thereon. Vesting in the Company's matching and discretionary contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 25% vested after two years of credited service and each year thereafter until fully vested.

COAXIS, INC.
401(k) PLAN

Notes to Financial Statements

December 31, 2012 and 2011

(f) Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$500 up to a maximum of \$50,000 not to exceed 50% of the participant's vested account balance. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the plan administrator. Interest rates range from 4.25% to 5.00% as of December 31, 2012 and the loans mature through 2017. Principal and interest are paid ratably through payroll deductions. Loan terms range from 1 to 5 years or up to 10 years for the purchase of a primary residence.

(g) Expenses

The majority of the Plan's expenses are paid by Coaxis, at its discretion, as provided by the plan document. Administrative expenses paid by the Plan include Fidelity recordkeeping, reporting, and compliance testing expenses.

(h) Payment of Benefits

A participant with an account balance greater than \$5,000 may elect to receive a lump-sum distribution or installments, following termination or attainment of age 59½. On termination of service, a participant with a vested account balance over \$1,000 but no more than \$5,000 will have his or her account transferred to a qualified IRA account selected by the plan administrator, unless directed by participant. If the vested account balance is no more than \$1,000, unless elected by the participant, the entire account will be paid to the participant in a single lump-sum payment as soon as administratively possible following retirement or other termination of employment.

In addition, hardship withdrawals are permitted if certain criteria are met. Participants with hardship withdrawals are prohibited from making contributions to the Plan for 6 months after receipt of the hardship distribution.

(i) Forfeited Accounts

The balances of terminated participants' nonvested accounts are used to reduce future employer contributions. There were no forfeited nonvested account balances as of December 31, 2012 and 2011. During 2012, \$37,127 of forfeitures were used to reduce employer contributions.

(j) Investment Options

Upon enrollment in the Plan, a participant may direct contributions to numerous Fidelity and other mutual funds offered by the Plan, and investments through the Fidelity BrokerageLink accounts. Through Fidelity, BrokerageLink, participants may hold a wide variety of securities such as stocks, corporate bonds, zero-coupon bonds, U.S. treasury securities, U.S. Government agency bonds, certificates of deposit, taxable unit investment trusts, foreign securities, and mutual funds. Participants may change their investment options and transfer amounts between funds at any time.

COAXIS, INC.
401(k) PLAN

Notes to Financial Statements

December 31, 2012 and 2011

(2) Significant Accounting Policies

(a) *Basis of Accounting*

The accompanying financial statements have been prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

(b) *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 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net (depreciation) appreciation in fair value of investments includes the gains and losses on investments bought and sold during the year as well as the change in the unrealized (depreciation) appreciation on those investments from one period to the next.

(c) *Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(d) *Benefits Payments*

Benefits are recorded when paid.

(e) *Risk and Uncertainties*

The Plan provides for investments that are exposed to various 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 the amounts reported in the statements of net assets available for benefits, and therefore participants' account balances.

COAXIS, INC.
401(k) PLAN

Notes to Financial Statements

December 31, 2012 and 2011

(3) Investments

The Plan's investments are held by Fidelity. Upon enrollment in the Plan, participants may direct investment of contributions among a selection of available funds. Participants may change their investment options daily.

The following presents investments that represent 5% or more of the Plan's net assets at December 31:

	<u>2012</u>
Mutual funds:	
Fidelity Contrafund	\$ 1,565,555
Fidelity Money Market Trust Retirement	1,346,234
Fidelity Freedom 2035	1,274,561
Fidelity Freedom 2025	1,195,348
Fidelity Freedom 2015	1,194,344
Fidelity Freedom 2020	1,062,862
Harbor International Fund	818,048
	<u>2011</u>
Mutual funds:	
Fidelity Freedom 2015	\$ 1,297,038
Fidelity Contrafund	1,223,560
Fidelity Money Market Trust Retirement	1,206,077
Fidelity Freedom 2020	890,123
Fidelity Freedom 2025	867,247
Fidelity Freedom 2035	690,122
Harbor International Fund	687,167
American Century Government Bond Fund – Investor	699,383

During 2012, the Plan's investments appreciated in value as follows:

Mutual Funds	\$ 1,243,983
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COAXIS, INC.
401(k) PLAN

Notes to Financial Statements

December 31, 2012 and 2011

(4) Fair Value Measurements

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

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Plan has the ability to access at the measurement date.

Level 2 – Inputs to the valuation methodology include the following:

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

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

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

The asset'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 net asset value as reported on national securities exchanges at the end of each business day.

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

COAXIS, INC.
401(k) PLAN

Notes to Financial Statements

December 31, 2012 and 2011

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Domestic large cap	\$ 10,100,265	—	—	10,100,265
Money market	1,346,234	—	—	1,346,234
Government bonds	1,308,132	—	—	1,308,132
Domestic mid cap	885,077	—	—	885,077
Foreign large cap	909,232	—	—	909,232
Domestic small cap	587,541	—	—	587,541
Emerging markets	543,899	—	—	543,899
Total mutual funds	15,680,380	—	—	15,680,380
Common Stock	27,793	—	—	27,793
Cash	6,712	—	—	6,712
Total investments at fair value	<u>\$ 15,714,885</u>	<u>—</u>	<u>—</u>	<u>15,714,885</u>

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Domestic large cap	\$ 7,940,736	—	—	7,940,736
Government bonds	1,250,086	—	—	1,250,086
Money market	1,206,077	—	—	1,206,077
Foreign large cap	743,777	—	—	743,777
Domestic small cap	621,327	—	—	621,327
Domestic mid cap	556,751	—	—	556,751
Emerging markets	336,286	—	—	336,286
Total mutual funds	12,655,040	—	—	12,655,040
Common Stock	18,168	—	—	18,168
Cash	1,193	—	—	1,193
Total investments at fair value	<u>\$ 12,674,401</u>	<u>—</u>	<u>—</u>	<u>12,674,401</u>

COAXIS, INC.
401(k) PLAN

Notes to Financial Statements

December 31, 2012 and 2011

(5) Information Certified by the Trustee of the Plan

The plan administrator has elected the method of annual reporting and compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. The following information included in the financial statements and supplemental schedule was provided and certified by the Plan's trustee, Fidelity, as complete and accurate:

- Investments, at fair value
- Notes receivable from participants
- Interest received on notes receivable from participants
- Investment income
- Investments (note 3)
- Fair value measurements (note 4)
- Schedule of assets (held at end of year)

(6) Exempt Party-in-Interest Transactions

Plan investments are mutual funds, common stock and cash managed by Fidelity and Brokerage Link. Fidelity is the trustee as defined by the Plan, and therefore, these investments represent exempt party-in-interest transactions. Fees for investment management services charged by the trustee are netted against plan earnings.

(7) 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 fully vested in their employer contributions.

(8) Income Tax Status

The Plan uses a prototype plan document provided by Fidelity. Fidelity received an opinion letter from the Internal Revenue Service (IRS), which states that the prototype document satisfies the applicable provisions of the IRC. The Plan itself has not received a determination letter from the IRS. However, the Plan's management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income tax has been included in the Plan's financial statements.

COAXIS, INC.
401(k) PLAN

Notes to Financial Statements

December 31, 2012 and 2011

Accounting principles generally accepted in the United States of America requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2010.

(9) Plan Merger

On April 30, 2012, the Company acquired Corporate Computer Systems, a document management technology company. Effective August 1, 2012, the Coaxis, Inc. 401(k) Plan merged with the Corporate Computer Systems 401(k) Plan. As a result of this merger, net assets of \$1,162,340 were transferred to the plan, including \$74,431 of outstanding notes receivable from participants.

(10) Subsequent Events

The Plan evaluated subsequent events through August 28, 2013, which was the date these financial statements were available to be issued.

Schedule

COAXIS, INC.
401(k) PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment, including maturity date, interest rate, collateral, par, or maturity value	Current value
	Mutual funds:	
Brokerage Link	Fidelity Fund and External Fund	\$ 34,383
PIMCO	PIMCO Total Return	340,359
Morgan Stanley	Morgan Stanley Institutional Mid Cap Growth P	393,929
Invesco	Invesco Developing Markets A	543,899
Invesco	Invesco High Yield Institutional Fund	161,918
T Rowe Price	T Rowe Price Equity Income Fund	390,549
RidgeWorth	RidgeWorth Mid-Cap Value Equity Fund I	274,593
American Century	American Century Government Bond Fund-Investor	448,191
Harbor	Harbor International Fund	818,048
TCW	TCW Small Cap Growth Fund N	53,594
Oakmark	Oakmark Equity and Income Fund I	367,420
Wells Fargo Advantage	Wells Fargo Advantage Small Cap Value Fund	251,470
Aston	Aston/Fairpointe Mid Cap Fund N	96,452
Heartland	Heartland Value Plus Fund	282,477
MFS	MFS Massachusetts Investors Trust Fund R3	509,512
* Fidelity	Fidelity Contrafund	1,565,555
* Fidelity	Fidelity Freedom Income Fund	1,535
* Fidelity	Fidelity Freedom 2000	3,425
* Fidelity	Fidelity Freedom 2010	31,275
* Fidelity	Fidelity Freedom 2020	1,062,862
* Fidelity	Fidelity Freedom 2030	754,269
* Fidelity	Fidelity Money Market Trust Retirement	1,346,234
* Fidelity	Fidelity Institutional Short-Intermediate Government Fund	343,985
* Fidelity	Fidelity Freedom 2040	690,976
* Fidelity	Fidelity Freedom 2015	1,194,344
* Fidelity	Fidelity Freedom 2025	1,195,348
* Fidelity	Fidelity Freedom 2035	1,274,561
* Fidelity	Spartan Ext Markt Index Fund ADV	101,045
* Fidelity	Spartan International Index Fund ADV	91,184
* Fidelity	Spartan 500 Index ADV	340,958
* Fidelity	Fidelity Freedom 2045	533,108
* Fidelity	Fidelity Freedom 2050	168,947
* Fidelity	Spartan US Bond Index Fund ADV	13,679
* Fidelity	Fidelity Freedom 2055	296
	Total mutual funds	15,680,380
Brokerage Link	Cash	6,712
Brokerage Link	Common Stock	27,793
* Various participants	Notes receivable from participants at interest rates ranging from 4.25% to 5.00% maturing through 2017	187,098
	Total	\$ 15,901,983

* Represents a party-in-interest transaction as of December 31, 2012.

See accompanying independent auditors' report.



COAXIS, INC.
401(k) PLAN

Financial Statements and Supplemental Schedule

December 31, 2012 and 2011

(With Independent Auditors' Report Thereon)

**COAXIS, INC.
401(k) PLAN**

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KPMG LLP
Suite 3800
1300 South West Fifth Avenue
Portland, OR 97201

Independent Auditors' Report

Investment Committee
Coaxis, Inc. 401(k) Plan
Portland, Oregon

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Coaxis, Inc. 401(k) plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related 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

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 5, which was certified by Fidelity Management Trust Company, the trustee of the Plan as of December 31, 2012 and 2011, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that Fidelity Management Trust Company held the Plan's investment assets and executed investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years then ended December 31, 2012 and 2011, that the information provided to the plan administrator by the trustee 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

The supplemental schedule H, line 4i – schedule of assets (held at end of year), as of December 31, 2012 is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on this supplemental schedule.

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

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustees, 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.

KPMG LLP

August 28, 2013

COAXIS, INC.
401(k) PLAN

Statements of Net Assets Available for Benefits

December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets:		
Investments, at fair value	\$ 15,714,885	12,674,401
Receivables:		
Employer's contributions	16,551	11,871
Participants' contributions	<u>53,877</u>	<u>36,534</u>
Total receivables	70,428	48,405
Notes receivable from participants	<u>187,098</u>	<u>85,841</u>
Net assets available for benefits	<u>\$ 15,972,411</u>	<u>12,808,647</u>

See accompanying notes to financial statements.

COAXIS, INC.
401(k) PLAN

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2012

Additions:

Investment income:

Net appreciation in fair value of investments	\$ 1,243,983
Interest and dividend income	<u>330,356</u>
Total investment income	<u>1,574,339</u>

Interest on note receivable from participants	5,915
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Contributions:

Participant contributions	1,671,975
Employer contributions	451,645
Participant rollovers	<u>358,405</u>

Total contributions	<u>2,482,025</u>
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Total additions	<u>4,062,279</u>
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Deductions:

Benefits paid to participants	2,058,649
Administrative expenses	<u>2,206</u>

Total deductions	<u>2,060,855</u>
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Net increase in net assets available for benefits	2,001,424
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Assets transferred to plan by merger	1,162,340
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Net assets available for benefits:

Beginning of year	<u>12,808,647</u>
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End of year	<u><u>\$ 15,972,411</u></u>
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See accompanying notes to financial statements.

COAXIS, INC.
401(k) PLAN

Notes to Financial Statements

December 31, 2012 and 2011

(1) Description of Plan

The following description of the Coaxis 401(k) Plan (the Plan) is provided for general information purposes only. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined contribution plan maintained for the benefit of all eligible employees of Coaxis, Inc. (the Company or Coaxis). The Plan's investment committee manages the operation and administration of the Plan. Fidelity Management Trust Company (Fidelity) serves as the trustee of the Plan. The plan sponsor and plan administrator is Coaxis. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

(b) Eligibility

Employees who are 21 years of age are eligible to participate in the Plan following three months of service. Eligible employees exclude (1) union employees, (2) certain nonresident aliens, (3) leased employees, and (4) temporary employees.

(c) Contributions

Contributions consist of employee elective deferrals and discretionary employer matching, rollovers and profit sharing contributions. Participants may voluntarily contribute up to 50% of their compensation to the Plan, limited to \$17,000 and \$16,500 in 2012 and 2011, respectively, subject to limitations under the Internal Revenue Code (IRC). Participants age 50 and older may elect to make additional catch-up contributions up to the maximum annual amount of \$5,500 in 2012 and 2011. In 2012 and 2011, the Company made matching contributions in the amount of 50% of the first 6% of compensation contributed. In addition, the Company may make a profit sharing contribution determined annually at the Company's discretion. The Company did not make profit sharing contributions during 2012 or 2011. Contributions are subject to other limits under the IRC.

Participants are automatically enrolled at a 3% deferral rate unless they elect otherwise.

(d) Participant Accounts

A participant account is valued daily and maintained for each participant, which is credited with the participant's contributions, the Company's contributions, and an allocation of plan earnings and expenses. Allocation of plan earnings and expenses is based upon participant account balances. The benefit to which a participant is entitled is the vested amount in their individual account.

(e) Vesting

Participants are immediately vested in their voluntary contributions and actual earnings thereon. Vesting in the Company's matching and discretionary contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 25% vested after two years of credited service and each year thereafter until fully vested.

COAXIS, INC.
401(k) PLAN

Notes to Financial Statements

December 31, 2012 and 2011

(f) Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$500 up to a maximum of \$50,000 not to exceed 50% of the participant's vested account balance. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the plan administrator. Interest rates range from 4.25% to 5.00% as of December 31, 2012 and the loans mature through 2017. Principal and interest are paid ratably through payroll deductions. Loan terms range from 1 to 5 years or up to 10 years for the purchase of a primary residence.

(g) Expenses

The majority of the Plan's expenses are paid by Coaxis, at its discretion, as provided by the plan document. Administrative expenses paid by the Plan include Fidelity recordkeeping, reporting, and compliance testing expenses.

(h) Payment of Benefits

A participant with an account balance greater than \$5,000 may elect to receive a lump-sum distribution or installments, following termination or attainment of age 59½. On termination of service, a participant with a vested account balance over \$1,000 but no more than \$5,000 will have his or her account transferred to a qualified IRA account selected by the plan administrator, unless directed by participant. If the vested account balance is no more than \$1,000, unless elected by the participant, the entire account will be paid to the participant in a single lump-sum payment as soon as administratively possible following retirement or other termination of employment.

In addition, hardship withdrawals are permitted if certain criteria are met. Participants with hardship withdrawals are prohibited from making contributions to the Plan for 6 months after receipt of the hardship distribution.

(i) Forfeited Accounts

The balances of terminated participants' nonvested accounts are used to reduce future employer contributions. There were no forfeited nonvested account balances as of December 31, 2012 and 2011. During 2012, \$37,127 of forfeitures were used to reduce employer contributions.

(j) Investment Options

Upon enrollment in the Plan, a participant may direct contributions to numerous Fidelity and other mutual funds offered by the Plan, and investments through the Fidelity BrokerageLink accounts. Through Fidelity, BrokerageLink, participants may hold a wide variety of securities such as stocks, corporate bonds, zero-coupon bonds, U.S. treasury securities, U.S. Government agency bonds, certificates of deposit, taxable unit investment trusts, foreign securities, and mutual funds. Participants may change their investment options and transfer amounts between funds at any time.

COAXIS, INC.
401(k) PLAN

Notes to Financial Statements

December 31, 2012 and 2011

(2) Significant Accounting Policies

(a) *Basis of Accounting*

The accompanying financial statements have been prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

(b) *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 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net (depreciation) appreciation in fair value of investments includes the gains and losses on investments bought and sold during the year as well as the change in the unrealized (depreciation) appreciation on those investments from one period to the next.

(c) *Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(d) *Benefits Payments*

Benefits are recorded when paid.

(e) *Risk and Uncertainties*

The Plan provides for investments that are exposed to various 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 the amounts reported in the statements of net assets available for benefits, and therefore participants' account balances.

COAXIS, INC.
401(k) PLAN

Notes to Financial Statements

December 31, 2012 and 2011

(3) Investments

The Plan's investments are held by Fidelity. Upon enrollment in the Plan, participants may direct investment of contributions among a selection of available funds. Participants may change their investment options daily.

The following presents investments that represent 5% or more of the Plan's net assets at December 31:

	<u>2012</u>
Mutual funds:	
Fidelity Contrafund	\$ 1,565,555
Fidelity Money Market Trust Retirement	1,346,234
Fidelity Freedom 2035	1,274,561
Fidelity Freedom 2025	1,195,348
Fidelity Freedom 2015	1,194,344
Fidelity Freedom 2020	1,062,862
Harbor International Fund	818,048
	<u>2011</u>
Mutual funds:	
Fidelity Freedom 2015	\$ 1,297,038
Fidelity Contrafund	1,223,560
Fidelity Money Market Trust Retirement	1,206,077
Fidelity Freedom 2020	890,123
Fidelity Freedom 2025	867,247
Fidelity Freedom 2035	690,122
Harbor International Fund	687,167
American Century Government Bond Fund – Investor	699,383

During 2012, the Plan's investments appreciated in value as follows:

Mutual Funds	\$ 1,243,983
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COAXIS, INC.
401(k) PLAN

Notes to Financial Statements

December 31, 2012 and 2011

(4) Fair Value Measurements

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

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Plan has the ability to access at the measurement date.

Level 2 – Inputs to the valuation methodology include the following:

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

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

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

The asset'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 net asset value as reported on national securities exchanges at the end of each business day.

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

COAXIS, INC.
401(k) PLAN

Notes to Financial Statements

December 31, 2012 and 2011

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Domestic large cap	\$ 10,100,265	—	—	10,100,265
Money market	1,346,234	—	—	1,346,234
Government bonds	1,308,132	—	—	1,308,132
Domestic mid cap	885,077	—	—	885,077
Foreign large cap	909,232	—	—	909,232
Domestic small cap	587,541	—	—	587,541
Emerging markets	543,899	—	—	543,899
Total mutual funds	15,680,380	—	—	15,680,380
Common Stock	27,793	—	—	27,793
Cash	6,712	—	—	6,712
Total investments at fair value	<u>\$ 15,714,885</u>	<u>—</u>	<u>—</u>	<u>15,714,885</u>

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Domestic large cap	\$ 7,940,736	—	—	7,940,736
Government bonds	1,250,086	—	—	1,250,086
Money market	1,206,077	—	—	1,206,077
Foreign large cap	743,777	—	—	743,777
Domestic small cap	621,327	—	—	621,327
Domestic mid cap	556,751	—	—	556,751
Emerging markets	336,286	—	—	336,286
Total mutual funds	12,655,040	—	—	12,655,040
Common Stock	18,168	—	—	18,168
Cash	1,193	—	—	1,193
Total investments at fair value	<u>\$ 12,674,401</u>	<u>—</u>	<u>—</u>	<u>12,674,401</u>

COAXIS, INC.
401(k) PLAN

Notes to Financial Statements

December 31, 2012 and 2011

(5) Information Certified by the Trustee of the Plan

The plan administrator has elected the method of annual reporting and compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. The following information included in the financial statements and supplemental schedule was provided and certified by the Plan's trustee, Fidelity, as complete and accurate:

- Investments, at fair value
- Notes receivable from participants
- Interest received on notes receivable from participants
- Investment income
- Investments (note 3)
- Fair value measurements (note 4)
- Schedule of assets (held at end of year)

(6) Exempt Party-in-Interest Transactions

Plan investments are mutual funds, common stock and cash managed by Fidelity and Brokerage Link. Fidelity is the trustee as defined by the Plan, and therefore, these investments represent exempt party-in-interest transactions. Fees for investment management services charged by the trustee are netted against plan earnings.

(7) 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 fully vested in their employer contributions.

(8) Income Tax Status

The Plan uses a prototype plan document provided by Fidelity. Fidelity received an opinion letter from the Internal Revenue Service (IRS), which states that the prototype document satisfies the applicable provisions of the IRC. The Plan itself has not received a determination letter from the IRS. However, the Plan's management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income tax has been included in the Plan's financial statements.

COAXIS, INC.
401(k) PLAN

Notes to Financial Statements

December 31, 2012 and 2011

Accounting principles generally accepted in the United States of America requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2010.

(9) Plan Merger

On April 30, 2012, the Company acquired Corporate Computer Systems, a document management technology company. Effective August 1, 2012, the Coaxis, Inc. 401(k) Plan merged with the Corporate Computer Systems 401(k) Plan. As a result of this merger, net assets of \$1,162,340 were transferred to the plan, including \$74,431 of outstanding notes receivable from participants.

(10) Subsequent Events

The Plan evaluated subsequent events through August 28, 2013, which was the date these financial statements were available to be issued.

Schedule

COAXIS, INC.
401(k) PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2012

Identity of issuer, borrower, lessor, or similar party	Description of investment, including maturity date, interest rate, collateral, par, or maturity value	Current value
	Mutual funds:	
Brokerage Link	Fidelity Fund and External Fund	\$ 34,383
PIMCO	PIMCO Total Return	340,359
Morgan Stanley	Morgan Stanley Institutional Mid Cap Growth P	393,929
Invesco	Invesco Developing Markets A	543,899
Invesco	Invesco High Yield Institutional Fund	161,918
T Rowe Price	T Rowe Price Equity Income Fund	390,549
RidgeWorth	RidgeWorth Mid-Cap Value Equity Fund I	274,593
American Century	American Century Government Bond Fund-Investor	448,191
Harbor	Harbor International Fund	818,048
TCW	TCW Small Cap Growth Fund N	53,594
Oakmark	Oakmark Equity and Income Fund I	367,420
Wells Fargo Advantage	Wells Fargo Advantage Small Cap Value Fund	251,470
Aston	Aston/Fairpointe Mid Cap Fund N	96,452
Heartland	Heartland Value Plus Fund	282,477
MFS	MFS Massachusetts Investors Trust Fund R3	509,512
* Fidelity	Fidelity Contrafund	1,565,555
* Fidelity	Fidelity Freedom Income Fund	1,535
* Fidelity	Fidelity Freedom 2000	3,425
* Fidelity	Fidelity Freedom 2010	31,275
* Fidelity	Fidelity Freedom 2020	1,062,862
* Fidelity	Fidelity Freedom 2030	754,269
* Fidelity	Fidelity Money Market Trust Retirement	1,346,234
* Fidelity	Fidelity Institutional Short-Intermediate Government Fund	343,985
* Fidelity	Fidelity Freedom 2040	690,976
* Fidelity	Fidelity Freedom 2015	1,194,344
* Fidelity	Fidelity Freedom 2025	1,195,348
* Fidelity	Fidelity Freedom 2035	1,274,561
* Fidelity	Spartan Ext Markt Index Fund ADV	101,045
* Fidelity	Spartan International Index Fund ADV	91,184
* Fidelity	Spartan 500 Index ADV	340,958
* Fidelity	Fidelity Freedom 2045	533,108
* Fidelity	Fidelity Freedom 2050	168,947
* Fidelity	Spartan US Bond Index Fund ADV	13,679
* Fidelity	Fidelity Freedom 2055	296
	Total mutual funds	15,680,380
Brokerage Link	Cash	6,712
Brokerage Link	Common Stock	27,793
* Various participants	Notes receivable from participants at interest rates ranging from 4.25% to 5.00% maturing through 2017	187,098
	Total	\$ 15,901,983

* Represents a party-in-interest transaction as of December 31, 2012.

See accompanying independent auditors' report.