Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2012

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
KOAM ENGINEERING SYSTEMS, INC. RETIREMENT SAVINGS PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1998

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

KOAM ENGINEERING SYSTEMS, INC.

9325 SKY PARK COURT, SUITE 300
SAN DIEGO, CA 92123

2b Employer Identification Number (EIN)
33-0771394

2c Sponsor's telephone number
858-292-0922

2d Business code (see instructions)
541330

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.	10/14/2013	JOHN YI
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Preparer's telephone number (optional)

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

KOAM ENGINEERING SYSTEMS, INC.

9325 SKY PARK COURT, SUITE 300
SAN DIEGO, CA 92123

3b Administrator's EIN: 33-0771394

3c Administrator's telephone number: 858-292-0922

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**	166
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**	112
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	35
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	147
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	147
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	142
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2A 2E 2F 2G 2J 2K 2T 3D

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

9a Plan funding arrangement (check all that apply)

(1)	☐	Insurance
(2)	☐	Code section 412(e)(3) insurance contracts
(3)	☒	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)	☐	0	**A** (Insurance Information)
(4)	☒		**C** (Service Provider Information)
(5)	☐		**D** (DFE/Participating Plan Information)
(6)	☐		**G** (Financial Transaction Schedules)

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

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

A Name of plan
KOAM ENGINEERING SYSTEMS, INC. RETIREMENT SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KOAM ENGINEERING SYSTEMS, INC.

D Employer Identification Number (EIN)
33-0771394

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

NATIONWIDE

ONE NATIONWIDE PLAZA
COLUMBUS, OH 43215

31-4156830

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 18 51 52 65	RECORD KEEPER	19307	Yes [X] No [ ]	Yes [X] No [ ]	20925	Yes [ ] No [X]

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

INNOVATIVE PENSION STRATEGY DESIGN

14251 DANIELSON STREET
POWAY, CA 92064

33-0166640

(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?
12 15 37 50 64 72	THIRD PARTY ADMINISTRATO	13958	Yes [X] No [ ]	Yes [X] No [ ]	5190	Yes [ ] No [X]

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

LPL FINANCIAL CORPORATION

9785 TOWNE CENTRE DRIVE
SAN DIEGO, CA 92121

(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?
17 26 27 28	INVESTMENT ADVISOR	0	Yes [X] No [ ]	Yes [X] No [ ]	15243	Yes [ ] No [X]

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)

MEEDER ADVISORY SERVICES, INC.

6125 MEMORIAL DRIVE
DUBLIN, OH 43017

31-1332744

(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?
17 26 27 28	INVESTMENT ADVISOR	5899	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2012

This Form is Open to Public Inspection

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

A Name of plan
KOAM ENGINEERING SYSTEMS, INC. RETIREMENT SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KOAM ENGINEERING SYSTEMS, INC.

D Employer Identification Number (EIN)
33-0771394

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	8515	9214
(2) Participant contributions	1b(2)	9772	9611
(3) Other	1b(3)	0	548
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	232055	264093
(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)	3829824	4362314
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	4080166	4645780
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	1881	3592
k Total liabilities (add all amounts in lines 1g through1j)	1k	1881	3592
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	4078285	4642188

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)	267035	
(B) Participants	2a(1)(B)	341255	
(C) Others (including rollovers)	2a(1)(C)	204489	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		812779
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	8004	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		8004
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		408578
c Other income	2c		548
d Total income. Add all **income** amounts in column (b) and enter total	2d		1229909
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	611354	
(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)		611354
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		35261
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	19391	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		19391
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		666006
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		563903
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: STEPHEN WOJDOWSKI & ASSOCIATES **(2)** EIN: 95-3640609

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a	X		40584
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

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

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

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

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

Part V Trust Information (optional)

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

2012

This Form is Open to Public Inspection.

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

A Name of plan
KOAM ENGINEERING SYSTEMS, INC. RETIREMENT SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
KOAM ENGINEERING SYSTEMS, INC.

D Employer Identification Number (EIN)
33-0771394

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 31-4156830

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a	The current year	**14a**	
b	The plan year immediately preceding the current plan year	**14b**	
c	The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a	The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b	The corresponding number for the second preceding plan year	**15b**	

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

a	Enter the number of employers who withdrew during the preceding plan year	**16a**	
b	If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

KOAM ENGINEERING SYSTEMS, INC.

RETIREMENT SAVINGS PLAN
REPORT AND FINANCIAL STATEMENTS

2012 AND 2011

INDEX

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Stephen Wojdowski
Certified Public Accountant

Independent Auditor's Report

To the Administrative Committee of
The Koam Engineering Systems, Inc. Retirement Savings Plan

Report on the Financial Statements

I was engaged to audit the accompanying financial statements of The Koam Engineering Systems, Inc. Retirement Savings Plan, which comprises the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My 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, I am 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 me not to perform, and I did not perform, any auditing procedures with respect to the information summarized in Note 8, which was certified by Nationwide Trust Company, the custodian of the Plan except for comparing the information with the related information included in the financial statements and supplemental schedules. I have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the custodian as of and for the years ended December 31, 2012 and 2011 that the information provided to the plan administrator by the custodian is complete and accurate.

8885 Rio San Diego Drive, Suite 215 • San Diego, California 92108 619·296·0150 Fax 619·296·2130

Disclaimer of Opinion

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

Other Matter

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

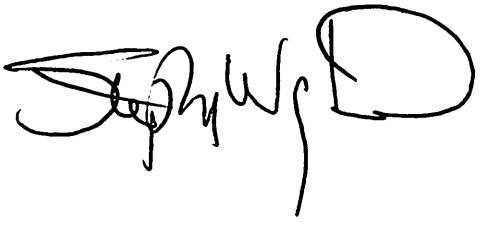
Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the custodian, have been audited by me in accordance with auditing standards generally accepted in the United States of America and, in my 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.

Report on Supplemental Information

My audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of Delinquent Participant Contributions is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

October 7, 2013



Disclaimer of Opinion

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

Other Matter

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

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

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the custodian, have been audited by me in accordance with auditing standards generally accepted in the United States of America and, in my 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.

Report on Supplemental Information

My audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of Delinquent Participant Contributions is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

October 7, 2013

KOAM ENGINEERING SYSTEMS, INC.

RETIREMENT SAVINGS PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2012

TRUST ASSETS

	December 31	
	2012	2011
Participant directed investments, at fair value	$ 4,362,314	$ 3,829,824
Receivables:		
Employer contributions	9,214	8,515
Participant's contributions	9,611	9,772
Employee loan payments	548	-
Notes receivable from participants	264,093	232,055
	283,466	250,342
Total Trust Assets	4,645,780	4,080,166
Trust Liabilities		
Refund of excess contributions	3,592	1,881
Net Assets Available for Benefits	$ 4,642,188	$ 4,078,285

See accompanying notes and independent auditor's report.

KOAM ENGINEERING SYSTEMS, INC.

RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2012

ADDITIONS		
Additions to net assets attributed to:		
Investment income:		
Net appreciation of fair value of investments		$ 408,578
Loan adjustment		548
		409,126
Interest income from participants notes receivable		8,004
Contributions:		
Employers		267,035
Participant's		341,255
Rollovers		204,489
		812,779
	TOTAL ADDITIONS	1,229,909
DEDUCTIONS		
Deductions from net assets attributed to:		
Benefit payments directly to beneficiaries		611,354
Defaulted loans		35,261
Administration fees		11,191
Audit expenses		8,200
	TOTAL DEDUCTIONS	666,006
	NET INCREASE	573,903
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year		4,078,285
End of year		$ 4,642,188

See accompanying notes and independent auditor's report.

KOAM ENGINEERING SYSTEMS, INC.

RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF THE PLAN

General

The following description of the Koam Engineering Systems, Inc. Retirement Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

The Plan is a defined contribution plan covering all employees of Koam Engineering Systems, Inc. (the "Company") originally adopted effective as of January 1, 1998. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERSA).

Eligibility

All employees of the Company are eligible to be in the Plan upon date of hire as long as they have reached the age of eighteen.

Plan Administration

The Plan is administered by the Administrative Committee appointed by the Board of Directors of the Company. The trustee for the Plan is Nationwide Trust Company, FSB ("Trustee"). The Company pays the administrative expenses of the Plan, and provides the Plan with certain accounting and administrative services without charge.

Contributions

Employer contributions are both required and discretionary. The discretionary contribution is determined by the Board of Directors of the Company. For the years ended December 31, 2012 and 2011, no discretionary contributions were made. Under the 401(K) provisions of the Plan, the Company is required to make a Safe Harbor contribution in an amount not less than 3% of Participant's Compensation on behalf of each Employee who is eligible to make Elective Deferrals during the Plan year.

Participants may contribute pretax annual compensation, as provided by the Internal Revenue Code. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Rollovers from other qualified plans shall be allowed from any employee, even if not a participant. The Company makes a 3% contribution up to the first $245,000 of wages for employees, including those that do not participate in the Plan.

Participant Accounts

Each participant's account is credited with the participant's voluntary contribution, the Company's matching contribution, any employer discretionary profit sharing contribution and Plan earnings which are allocated proportionately among all participants based on their investment in each fund. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

NOTE 1 – DESCRIPTION OF THE PLAN (continued)

Vesting

For the salary deferrals and 401(K) Safe Harbor contributions, participants are immediately vested in their contributions plus actual earnings. With respect to discretionary contributions, vesting will be based on the years of service vesting schedule with 0% vested for less than two years and gradually building up to 100% vested after six or more years.

Forfeitures

Forfeitures of nonvested plan assets are allocated first to administrative expenses and then are used to reduce any employer contribution. For the years ended December 31, 2012 and 2011, forfeited nonvested accounts totaled $7,585 and $6,766, respectively.

Investment Options

The assets of the Plan, both employee and employer, are allocated to the various funds at the direction of the participant. The following investment options are available: Equity Funds, Fixed-Income Funds, Balanced Funds, Specialty Funds and International Funds. Participants may change their investment options at any time; however, changes to percentage to be contributed may only be made on January 1, April 1, July 1 and October 1 of each year.

Participants Notes Receivable

Certain participants may borrow from their fund accounts 50% of their account balance not to exceed $50,000. Loan transactions are treated as a transfer from the investment fund to the participant's notes fund after their balance reaches $2,000. Loans shall not exceed 5 years unless it is used to acquire a dwelling unit which will be used as the principal residence of the Participant. 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 quarterly by the Plan administrator. Interest rates fluctuate from 3.25% to 8.25%. Principal and interest is paid ratably through monthly payroll deductions.

Payment of Benefits

On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account or they may take timely periodic distributions. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

Hardship Distributions

Participants may request a distribution based on financial hardship subject to the provisions of the Plan. This distribution shall be permitted from a participant's employee deferral account only. Hardship distributions are described as medical expenses (not covered by insurance), purchase (excluding mortgage payments), payment of tuition for the next semester or quarter of post-secondary education for the participant, the participant's spouse, or any dependent of the participant and funeral expenses for a member of the family.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires the Plan administrator to make estimates and assumptions that affect the reported amounts of Plan assets and liabilities and changes therein at the date of the financial statements. Accordingly, actual results may differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value, based on the quoted market prices of the underlying securities within each fund at December 31, 2012 and 2011. Fair value is the price that would be received to sell an orderly transaction between market participants at the measurement date.

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.

Note Receivable from Participants

Participant's notes receivable are valued at their unpaid principal balance plus any accrued unpaid interest. Delinquent notes receivable from participants are recorded as distributions based on the terms of the Plan document.

Net Appreciation (Depreciation) in Fair Value of Investments

Realized and unrealized appreciation (depreciation) in the fair value of investments is based on the difference between the fair value of the assets at the beginning of the year, or at the time of purchase for assets purchased during the year, and the related fair value on the day investments are sold with respect to realized appreciation (depreciation), or on the last day of the year for unrealized appreciation (depreciation).

Realized and unrealized appreciation (depreciation) is recorded in the accompanying Statement of Changes in Net Assets Available Benefits as net appreciation in the fair value of investments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. 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 and that such changes could materially affect participants' account balances and the amounts reported in the financial statements.

The Plan invests in various investment options that invest in securities of foreign companies, which involve special risks and considerations not typically associated with investing in U.S. companies. These risks include devaluation of currencies, less reliable information about issuers, different securities transaction clearance and settlement practices, and possible adverse political and economic developments. Moreover, securities of many foreign companies and their markets may be less liquid and their prices fore volatile than those of securities of comparable U.S. companies.

Payment of Benefits

Benefits due to participants whose employment is terminated are recorded on the date such amounts are paid.

NOTE 3 – INVESTMENTS

Mutual fund and international equity investment options consist of the following at December 31:

	2012	2011
Meeder Strategic Growth Fund	346,515*	303,940*
Nationwide Money Market Instl Fund	335,030*	463,029*
PIMCO Total Return A Fund	278,861*	227,815*
Meeder Balanced Fund	225,825*	174,341
Ivy High Income Y Fund	201,084	
Meeder MuirField Fund	178,593	
Meeder Dynamic Growth Fund	177,755	
Meeder Total Return Bond Fund	150,467	102,827
American Century Equity Index Fund	147,277	155,623
American Century Real Estate Investment Fund	138,376	
Rydex Biotechnology Advantage Fund	131,816	
Wells Fargo Advantage Disciplined Investment Fund	131,380	125,036
T Rowe Price New Horizons Fund	129,850	132,403
Oppenheimer Value A Fund	122,333	98,319
Oakmark Equity & Income Fund II	120,365	97,428
Colombia Mid-Cap Value Opportunity Fund	117,266	132,389
American Funds Growth Fund Of America R3	110,643	63,425
Janus Enterprise S Fund	108,852	72,170
Franklin Mutual Series Fund Mutual Shares	98,228	56,152
AllianceBern High Income A Fund	94,635	84,190
Oppenheimer Developing Markets A Fund	88,411**	106,866**

NOTE 3 – INVESTMENTS (continued)

Mutual fund and international equity investment options consist of the following at December 31:

	2012	2011
Invesco Real Estate A Fund	86,253	81,932
PIMCO Low Duration A Fund	82,384	74,561
William Blair Small Cap Growth N Fund	73,401	9,720
Harbor International Investment Fund	69,346**	48,280**
Buffalo High Yield Fund	68,788	61,609
Eaton Vance Worldwide Health Sci A Fund	61,744	
American Funds Capital World G/I R3 Fund	57,491**	29,761**
Buffalo Growth Fund	55,801	26,541
Goldman Sachs Government Income A Fund	53,617	76,308
Pioneer Strategies Income Fund A	53,092	47,952
Ivy Science and Technology Y Fund	43,267	17,819
Eaton Vance Government Obligations Fund A	41,665	40,409
Janus Forty S Fund	32,508	26,426
Diamond Hill Small Cap A Fund	30,336	9,691
Aberdeen US Equity Class A Fund	26,137	5,213
Goldman Sachs Mid Cap Value Fund	20,895	15,763
Nationwide Small Cap Index A Fund	19,673	12,845
Eaton Vance Floating Rate Fund A	10,366	8,621
Federated Bond Fund	6,774	85
Prudential Jennison 20/20 Focus Fund	5,464	5,049
BlackRock Government Income Fund	4,003	
Direxion Evolution All-Cap Equity Svc	3,011	3,097
Meeder Utilities and Infrastructure Bond	2,882	2,338
American Century Infl-Adj Bond Investment	2,341	2,262
DFA Emerging Markets Fund	1,971	
Vanguard Global Equity Investment Fund	1,951	
Meeder Aggressive Growth Fund	1,904	63
Vanguard Small Cap index Signal Fund	1,545	
Vanguard 500 Index Signal Fund	1,520	
Meeder Quantex Fund	1,447	6
Direxion Evolution Market Leaders Fund	1,146**	1,178**
Oppenheimer Capital Appreciation Fund A	743	315
Vanguard Total Bond Market Index Signal Fund	741	
Rydex S&P Mid-Cap 400 Pure Growth Fund H	542	475
AIM International Small Company Fund	513**	443**
Direxion Evolution Managed Bond Fund	488	727
Lazard Emerging Market Fund	443**	365**
Direxion Evolution Alternative Inv Fund	433**	650**
AllianceBern International Value A Fund	348**	306**
Rydex S&P Small-Cap 600 Pure Value H Fund	343	
Van Kampen MidCap Growth A Fund	290	260
Federated Kaufman Small Cap Fund	259	214
Rydex Europe 1.25x Strategy H Fund	135	108

NOTE 3 – INVESTMENTS (continued)

Mutual fund and international equity investment options consist of the following at December 31:

	2012	2011
Delaware International Value Equity A Fund	99**	87**
T Rowe Price New Income Fund	75	71
Blackrock US Government Bond Port A	71	70
Oppenheimer Gold & Special Fund	62	220,858*
Wells Fargo Advantage Utility & Telecommunication Fund A	59	55
Black Rock Total Return Investment	57	52
Rydex Weakening Dollar 2x Strategy Fund	46	79
Payden GNMA Advisor Fund	43	284
Oppenheimer International Bond Fund A	37**	69**
Pioneer Emerging Market Fund A	33**	30**
Franklin Templeton Developing Markets Fund	29**	26**
Oppenheimer Commodity Strategy Fund	22	59
AllianceBern International Value K Fund	16**	14**
Federated Mid Cap Growth Fund	15	14
Federated International Small-Mid A Fund	14**	12**
MetroWest Total Return Bond	13	85
TCW Total Return Bond N	13	339
Fidelity Advisor Floating Rate High Income Fund	9	55
RidgeWorth Mid-Cap Value Equity A Fund	4	30
Black Rock Energy & Resources Fund	4	23
Wells Fargo Advantage Growth Fund A	4	22
Putnam Voyager Fund A	4	27
Oppenheimer Equity Income Fund A	4	25
Lord Abbott Fundamental Equity A	4	26
JPMorgan Small Cap Equity A Fund	4	26
Meeder Muirfield Fund		179,911
Meeder Dynamic Growth Fund		160,024
Prudential Jennison Natural Resource Fund A		124,197
Pioneer High Yield Fund A		123,903
Dreyfus Greater China Fund A		4,464**
DWS Global International Fund		4,879**
Van Eck Global Hard Assets Fund		132
Heartland Value Plus Fund		235
Scout International Fund		199**
AIM Diversified Dividend Fund		226
Neuberger Berman Real Estate Trust		211
Wells Fargo Advantage Funds Common Stock Fund		162
Janus Perkins Mid Cap Value Fund		142
Ivy Large Cap Growth Fund Class Y		73
PIMCO Low Duration Fund		61
PIMCO Real Return Fund A		26

NOTE 3 – INVESTMENTS (continued)

Mutual fund and international equity investment options consist of the following at December 31:

	2012	2011
AIM Mid Cap Core Equity Fund		12
Rydex S&P Small-Cap 600 Pure Growth H		291
First American Real Estate Fund		3
Eaton Vance Worldwide Health Sciences Mutual Fund		889
	4,362,314	3,829,824

* Represents 5% or more of net assets available for benefits
** Represents international mutual funds or accounts

NOTE 4 – FAIR VALUE MEASUREMENTS

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statements elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1 inputs - quoted prices in active markets for identical assets.
Level 2 inputs - quoted prices in active or inactive markets for the same or similar assets
Level 3 inputs - estimates using the best information available when there is little to no market

The Corporation is required to measure only one type of asset and the related revenues at fair value which is investments. The techniques used to measure fair value are described in the notes below that relate to each asset.

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

	Assets at Fair Value as of December 31, 2012			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
International funds	$ 218,359	-	-	$ 218,359
Balanced funds	497,445	-	-	497,445
Growth funds	2,343,185	-	-	2,343,186
Fixed income funds	1,032,274	-	-	1,032,274
Specialty funds	271,050	-	-	271,050
Total mutual funds	4,362,314	-	-	4,362,314
Total investment assets at fair value	$ 4,362,314	-	-	$ 4,362,314

	Assets at Fair Value as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
International funds	$ 188,286	-	-	$ 188,286
Balanced funds	451,680	-	-	451,680
Growth funds	1,413,372	-	-	1,413,372
Fixed income funds	1,317,691	-	-	1,317,691
Specialty funds	458,795	-	-	458,795
Total mutual funds	3,829,824	-	-	3,829,824
Total investment assets at fair value	$ 3,829,824	-	-	$ 3,829,824

NOTE 5 – PLAN TERMINATION

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

NOTE 6 – RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

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

	December 31, 2012	December 31, 2011
Net assets available for benefits per the financial statements	$ 4,642,188	$ 4,078,285
Net assets available for benefits per Schedule H to the Form 5500	$ 4,642,188	$ 4,078,285

The following is a reconciliation of benefits paid to participants per the financial statements for the year ended December 31, 2012 to Schedule H of Form 5500:

Benefits paid to participants per the financial statements	$ 611,354	$ 172,820
Benefits paid to participants per Schedule H of Form 5500	$ 611,354	$ 172,820

NOTE 7 – TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter, dated March 16, 2010, that the Plan and related trusts are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has not been amended since receiving the determination letter.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (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 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 2008.

NOTE 8 – INFORMATION CERTIFIED BY NATIONWIDE TRUST COMPANY (UNAUDITED)

At December 31, 2012 the Plan's investments were held by Nationwide Trust Company, the custodian of the Plan. The following is a summary of the Plan's financial information that is included in the financial statements based on information certified by the Trustee as complete and accurate in accordance with Section 2520.103-8 of the Department of Labor's Rules and Regulation for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Balanced funds	$ 218,359
Growth funds	497,445
Fixed Income funds	2,343,186
Specialty funds	1,032,274
International funds	271,050
	$ 4,362,314

With the exception of the International Fund, each of the above investments represents 5% or more of net assets of the plan at December 31, 2012

Interest and dividend income	$ 8,004
Net appreciation in fair value of investments	408,578

NOTE 9 – PROHIBITED TRANSACTIONS

During 2012, the Company failed to remit to the Plan's trustee certain employee contributions and loan repayments totaling approximately $40,584 within the period prescribed by Department of Labor regulations. Delays in remitting contributions to the trustee were due to a combination of administrative and system errors. The Company funded lost earnings on the late remitted contributions in the amount of $5.24 which were posted to the affected Participant's accounts on October 9, 2013.

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated its December 31, 2011 financial statements for subsequent events through October 9, 2013, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

Supplemental Schedule of Delinquent Participant Contributions

Koam Engineering Systems, Inc. Retirement Savings Plan
Employer Identification Number: 33-0771394
Plan Number 001
Plan Year 01/01/12 to 12/31/12

Form 5500, line 4a - Schedule of Delinquent Participant Contributions December 31, 2012

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Participant Contributions
$ 40,854	$ 40,584

Schedule H/I, Line 4a
Schedule of Late Participant Contributions

Name of Plan:

KOAM Engineering Systems, Inc. Retirement Savings Plan

Employer Identification No.: ► 33-0771394

Plan year (beginning/ending): ► 01/01/2012-12/31/2012 Plan number: ► 1

(a) Late Contributions	**(b)** Late Contributions not Corrected	**(c)** Correction outside VFCP	**(d)** Correction using VFCP	Pending Correction in VFCP	**(f)** Total Corrected
Employee Deferrals paid late	0	40584.23	0	0	40584.23

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

Name of Plan:

► KOAM Engineering Systems, Inc. Retirement Savings Plan

Employer Identification Number:► 33-0771394

For plan year (beginning/ending):► 1/1/2012 - 12/31/2012 Plan number:► 1

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
*	Nationwide Insurance Co.	AllBer Intl Value K	N/A	16.1
*	Nationwide Insurance Co.	AmCent Eq Indx	N/A	147277.2
*	Nationwide Insurance Co.	AmCent RealEst A	N/A	138375.92
*	Nationwide Insurance Co.	AIM Intl Sm Co A	N/A	513.3
*	Nationwide Insurance Co.	AllBer Hi Inc A	N/A	94635.3
*	Nationwide Insurance Co.	AllBer Intl Val A	N/A	347.61
*	Nationwide Insurance Co.	RvrSrc Mid Cap	N/A	117265.87
*	Nationwide Insurance Co.	AmCent Infl Adj	N/A	2341.11
*	Nationwide Insurance Co.	Invsco RealEst A	N/A	86253.07
*	Nationwide Insurance Co.	AmFds Gr Fd Am R3	N/A	110642.98
*	Nationwide Insurance Co.	AmFds Cap Wld Gr	N/A	57491.36
*	Nationwide Insurance Co.	Flex Ttl Return	N/A	150467.45
*	Nationwide Insurance Co.	BlkRk Govt Inc	N/A	4003.08
*	Nationwide Insurance Co.	BlkRk Ttl Rtn Inv	N/A	57.14
*	Nationwide Insurance Co.	BlkRk US Gov Bd Port Inv A	N/A	71.06
*	Nationwide Insurance Co.	BlkRk Energy Resource	N/A	4.36
*	Nationwide Insurance Co.	Buf Growth	N/A	55800.59
*	Nationwide Insurance Co.	Buf Hi Yld	N/A	68787.94
*	Nationwide Insurance Co.	DE Intl Val Eq A	N/A	98.94
*	Nationwide Insurance Co.	Diamond Hill SmCap A	N/A	30335.67
*	Nationwide Insurance Co.	DFA Emrg Mkt	N/A	1970.91
*	Nationwide Insurance Co.	EV WW Hlth Scnc A	N/A	61744.41
*	Nationwide Insurance Co.	EV Flotng Rt A	N/A	10366.35
*	Nationwide Insurance Co.	EV Govt Oblgtns A	N/A	41665
*	Nationwide Insurance Co.	WFA Util Telcom A	N/A	59.3
*	Nationwide Insurance Co.	Fed Bond	N/A	6773.51
*	Nationwide Insurance Co.	Flex Defn Bal	N/A	225824.79
*	Nationwide Insurance Co.	Flex Strat Gr	N/A	346514.67
*	Nationwide Insurance Co.	Flex Aggr Gr	N/A	1903.96
*	Nationwide Insurance Co.	FidAdv Flotng Rt Hi inc	N/A	8.57
*	Nationwide Insurance Co.	Fed MdCap Gr	N/A	14.53
*	Nationwide Insurance Co.	Fed Intl SmMd Co	N/A	13.87
*	Nationwide Insurance Co.	Fed Kaufman SmCap	N/A	258.96
*	Nationwide Insurance Co.	Meeder Dynmc Gr	N/A	177755.47
*	Nationwide Insurance Co.	Meeder Qntx	N/A	1446.96
*	Nationwide Insurance Co.	Meeder Mrfld	N/A	178592.82
*	Nationwide Insurance Co.	Meeder Util Infr	N/A	2882.34
*	Nationwide Insurance Co.	Abrden US Eq A	N/A	26137.22
*	Nationwide Insurance Co.	GdmnScs Govt Inc	N/A	53617.1
*	Nationwide Insurance Co.	GdmnScs MdCap Val	N/A	20895.09
*	Nationwide Insurance Co.	NW Mny Mkt Inst	N/A	335029.97
*	Nationwide Insurance Co.	Harbor Intl Inv	N/A	69346.01
*	Nationwide Insurance Co.	Jns Frty S	N/A	32507.73
*	Nationwide Insurance Co.	JPM US Eq A	N/A	4.32
*	Nationwide Insurance Co.	Okmrk Eq Inc II	N/A	120365.02

*	Nationwide Insurance Co.	Ptnm Voyager A	N/A	4.35
*	Nationwide Insurance Co.	LrdAbt Fdmntl Eq A	N/A	4.33
*	Nationwide Insurance Co.	Lazard Emrg Mkt	N/A	443.1
*	Nationwide Insurance Co.	MetroWest Ttl Rtn Bd I	N/A	12.84
*	Nationwide Insurance Co.	NW SmCap Indx A	N/A	19672.51
*	Nationwide Insurance Co.	Opp Cap App A	N/A	742.58
*	Nationwide Insurance Co.	PIMCO Ttl Rtn A	N/A	278861.47
*	Nationwide Insurance Co.	Opp Devl Mkt A	N/A	88410.89
*	Nationwide Insurance Co.	Opp Val A	N/A	122332.92
*	Nationwide Insurance Co.	Pionr Emrg Mkt A	N/A	33.46
*	Nationwide Insurance Co.	DrxnEvol	N/A	433.1
*	Nationwide Insurance Co.	Opp Gold Spec	N/A	62.34
*	Nationwide Insurance Co.	Opp Intl Bd A	N/A	36.5
*	Nationwide Insurance Co.	PIMCO Low Dur A	N/A	82384.27
*	Nationwide Insurance Co.	Pionr Strat Inc A	N/A	53092.19
*	Nationwide Insurance Co.	DrxnEvol Mkt Ldrs	N/A	1145.85
*	Nationwide Insurance Co.	Opp Eq Inc A	N/A	4.34
*	Nationwide Insurance Co.	Opp Comdty Strat	N/A	21.54
*	Nationwide Insurance Co.	T Rowe Pr New Horizons	N/A	129849.88
*	Nationwide Insurance Co.	Prudntl Jnisn 20	N/A	5463.69
*	Nationwide Insurance Co.	DrxnEvol All Cap	N/A	3010.82
*	Nationwide Insurance Co.	DrxnEvol Mgd Bd	N/A	487.8
*	Nationwide Insurance Co.	Payden GNMA Adv	N/A	42.88
*	Nationwide Insurance Co.	RydexSFS&PSmCap60 Pur Val	N/A	342.5
*	Nationwide Insurance Co.	RydexSGI Bio Adv	N/A	131816.27
*	Nationwide Insurance Co.	RydexSF Wkng Dlr 2X Str H	N/A	46.48
*	Nationwide Insurance Co.	RydexSF S&PMdCap400Pure Gr	N/A	550.45
*	Nationwide Insurance Co.	RydexSF Euro 1.25X Strat H	N/A	135.41
*	Nationwide Insurance Co.	WFA Disc Inv	N/A	131379.79
*	Nationwide Insurance Co.	WFA Gr A	N/A	4.35
*	Nationwide Insurance Co.	RdgWrth MdCap Val Eq1	N/A	4.38
*	Nationwide Insurance Co.	FnklnTmp Devl Mkt	N/A	28.73
*	Nationwide Insurance Co.	TCW Ttl Rtn Bd N	N/A	12.82
*	Nationwide Insurance Co.	FnklnMSF Mut Shrs	N/A	98228.04
*	Nationwide Insurance Co.	T Rowe Pr New Ioncome Fnd	N/A	74.61
*	Nationwide Insurance Co.	Vngrd 500 Index Sgnl	N/A	1520.46
*	Nationwide Insurance Co.	Vngrd SmCap Index Sgnl	N/A	1545.36
*	Nationwide Insurance Co.	Vngrd Ttl Bd Mkt Indx Sgnl	N/A	740.66
*	Nationwide Insurance Co.	Van Kampen MidCap Growth A	N/A	289.61
*	Nationwide Insurance Co.	Vngrd Glbl Eq Inv	N/A	1950.85
*	Nationwide Insurance Co.	William Blair Sm Cap Gr N	N/A	73401.13
*	Nationwide Insurance Co.	Ivy Hi Inc.	N/A	201083.98
*	Nationwide Insurance Co.	Ivy Science and Tech	N/A	43266.72
*	Nationwide Insurance Co.	Jns Entrp S	N/A	108852.45
*	Participant Loans	3.25% - 8.25%	N/A	264093.43