

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 2013 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</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>ARC MACHINES, INC. 401(K) SAVINGS 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>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>08/01/1988</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>95-3010284</u></td> </tr> <tr> <td colspan="2">2c Sponsor's telephone number <u>818-896-9556</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>333510</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>08/01/1988</u>		2b Employer Identification Number (EIN) <u>95-3010284</u>		2c Sponsor's telephone number <u>818-896-9556</u>		2d Business code (see instructions) <u>333510</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>										
1c Effective date of plan <u>08/01/1988</u>											
2b Employer Identification Number (EIN) <u>95-3010284</u>											
2c Sponsor's telephone number <u>818-896-9556</u>											
2d Business code (see instructions) <u>333510</u>											
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>ARC MACHINES, INC.</u> <u>10500 ORBITAL WAY</u> <u>PACOIMA, CA 91331</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.	10/14/2014	NIDHI ANDALON
	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		3b Administrator's EIN	
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		3c Administrator's telephone number 4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year		5	224
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	121
b Retired or separated participants receiving benefits		6b	6
c Other retired or separated participants entitled to future benefits		6c	63
d Subtotal. Add lines 6a , 6b , and 6c		6d	190
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		6e	0
f Total. Add lines 6d and 6e		6f	190
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	185
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2T 3D 3H			
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) ☐ <u>0</u> 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
		2013
		This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>ARC MACHINES, INC. 401(K) SAVINGS PLAN</u>	B Three-digit plan number (PN) <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ARC MACHINES, INC.</u>	D Employer Identification Number (EIN) <u>95-3010284</u>

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

<u>CLEARBRIDGE</u>	<u>100 FIRST STAMFORD PLACE</u> <u>STAMFORD, CT 06902</u>
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(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

<u>DELAWARE FUNDS</u>	<u>2005 MARKET STREET, 36TH FLOOR</u> <u>PHILADELPHIA, PA 19103</u>
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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

<u>FIDELITY</u>	<u>500 SALEM STREET OS2N1</u> <u>SMITHFIELD, RI 02917</u>
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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

<u>HARBOR (HCA SECURITIES)</u>	<u>33 ARCH STREET, SUITE 2001</u> <u>BOSTON, MA 02110</u>
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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

J.P. MORGAN

245 PARK AVENUE, 3RD FLOOR
NEW YORK, NY 10167

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

NEUBERGER BERMAN

600 MONTGOMERY STREET, 19TH FLOOR
SAN FRANCISCO, CA 94111

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

PIMCO

1345 AVENUE OF THE AMERICAS
NEW YORK, NY 10105-4800

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

PUTNAM FIDUCIARY TRUST COMPANY

ONE POST OFFICE SQUARE
BOSTON, MA 02109

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

PUTNAM INVESTMENTS

ONE POST OFFICE SQUARE
BOSTON, MA 02109

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

T. ROWE PRICE ASSOCIATES

100 E. PRATT ST
BALTIMORE, MD 21212

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

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

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

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

WELLS FARGO ADVISORS, LLC

ONE NORTH JEFFERSON AVE
ST. LOUIS, MO 63103

(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?
27	INVESTMENT ADVISOR	0	Yes ☒ No ☐	Yes ☒ No ☐	20000	Yes ☒ No ☐

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

CNM, LLC

65-1202484

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	AUDITOR	0	Yes ☒ No ☐	Yes ☒ No ☐	7000	Yes ☐ No ☒

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

PUTNAM INVESTOR SERVICES, INC.

ONE POST OFFICE SQUARE
BOSTON, MA 02109

(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 15	RECORDKEEPER	0	Yes ☒ No ☐	Yes ☒ No ☐	0	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
WELLS FARGO ADVISORS, LLC	27	20000
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PUTNAM INVESTOR SERVICES, INC. ONE POST OFFICE SQUARE BOSTON, MA 02109	ADVISORY	
<hr/>		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
CNM, LLC	10	7000
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PUTNAM INVESTOR SERVICES, INC. ONE POST OFFICE SQUARE BOSTON, MA 02109	AUDIT	
<hr/>		
(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

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:

<div>SCHEDULE D (Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div>		<div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2013</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013					
A Name of plan ARC MACHINES, INC. 401(K) SAVINGS PLAN				B Three-digit plan number (PN) ▶ 002	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 ARC MACHINES, INC.				D Employer Identification Number (EIN) 95-3010284	
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)					
a Name of MTIA, CCT, PSA, or 103-12 IE: PUTNAM S&P 5500 INDEX FUND					
b Name of sponsor of entity listed in (a): PUTNAM FIDUCIARY TRUST COMPANY					
c EIN-PN 04-2884233-201		d Entity code C		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1446420	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	

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

Schedule D (Form 5500) 2013
v. 130118

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>		
A Name of plan <u>ARC MACHINES, INC. 401(K) SAVINGS PLAN</u>		B Three-digit plan number (PN) ► <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ARC MACHINES, INC.</u>		D Employer Identification Number (EIN) <u>95-3010284</u>

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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	370834	254843
(9) Value of interest in common/collective trusts	1c(9)	1043597	1446420
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	9963506	8987252
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	11377937	10688515

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	11377937	10688515
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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)	307240	
(B) Participants	2a(1)(B)	381193	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		688433
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	11924	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		11924
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	308705	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		308705
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(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)	0	
(B) Other	2b(5)(B)	0	
(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)		331110
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		1218862
c Other income.....	2c		10290
d Total income. Add all income amounts in column (b) and enter total.....	2d		2569324

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	3157645	
(2) To insurance carriers for the provision of benefits.....	2e(2)	0	
(3) Other.....	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		3157645
f Corrective distributions (see instructions).....	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		101101
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees.....	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Investment advisory and management fees.....	2i(3)	0	
(4) Other.....	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		3258746

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-689422
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

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

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

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

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

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

(1) Name: **CNM LLP**

(2) EIN: **65-1202484**

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.).....

	Yes	No	Amount
4a	X		1058
4b		X	

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	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		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?		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.			

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)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

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 2013 This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>ARC MACHINES, INC. 401(K) SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ARC MACHINES, INC.</u>	D Employer Identification Number (EIN) <u>95-3010284</u>

Part I	Distributions
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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>84-1455663</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): _____

ARC MACHINES, INC. 401(k) SAVINGS PLAN

Financial Statements with Auditors' Report
As of December 31, 2013 and 2012

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Supplemental Information:

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Schedule H, line 4a – Schedule of Delinquent Participant Contributions as of December 31, 2013	14
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Note: Schedules other than those listed above have been omitted because the information is otherwise disclosed, not applicable or is not required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the plan administrator of the
Arc Machines, Inc. 401(k) Savings Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Arc Machines, Inc. 401(k) Savings Plan, which comprise the Statements of Net Assets Available for Plan Benefits as of December 31, 2013 and 2012, the related Statement of Changes in Net Assets Available for Plan Benefits for the Year Ended December 31, 2013, 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 7, which was certified by Putnam Fiduciary Trust Company, the Trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the Trustee as of December 31, 2013 and 2012, and for the year ended December 31, 2013, 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 schedules, Schedule H, line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2013, and Schedule H, Line 4a - Schedule of Delinquent Participant Contributions as of December 31, 2013, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are 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 these supplemental schedules.

Report on Form and Content in Compliance with the Department of Labor's 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 Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

CNM LLP

CNM LLP

Woodland Hills, California
August 11, 2014

ARC MACHINES, INC. 401(k) SAVINGS PLAN
Statements of Net Assets Available for Plan Benefits
As of December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets:		
Investments, at fair value:		
Common/Collective trust	\$ 1,446,420	\$ 1,043,597
Mutual funds	<u>8,987,252</u>	<u>9,963,506</u>
	10,433,672	11,007,103
Receivables:		
Participant contributions	11,657	8,108
Company contributions	-	307,240
Notes receivable from participants	<u>277,162</u>	<u>419,867</u>
	288,819	735,215
Total assets	<u>10,722,491</u>	<u>11,742,318</u>
Liabilities	<u>-</u>	<u>-</u>
Net assets available for plan benefits	\$ <u><u>10,722,491</u></u>	\$ <u><u>11,742,318</u></u>

See accompanying notes.

ARC MACHINES, INC. 401(k) SAVINGS PLAN
Statement of Changes in Net Assets Available for Plan Benefits
For the Year Ended December 31, 2013

Additions to net assets attributable to:	
Contributions:	
Participant	\$ 384,742
Interest income on notes receivable from participants	16,438
Investment income:	
Net realized and unrealized appreciation in fair value of investments	1,549,974
Interest and dividends	308,704
	<u>1,858,678</u>
Total additions	<u>2,259,858</u>
Deductions from net assets attributable to:	
Benefits paid to participants	<u>3,279,685</u>
Total deductions	<u>3,279,685</u>
Net decrease in plan assets	(1,019,827)
Net assets available for plan benefits:	
Beginning of year	<u>11,742,318</u>
End of year	\$ <u><u>10,722,491</u></u>

See accompanying notes.

ARC MACHINES, INC. 401(k) SAVINGS PLAN

Notes to Financial Statements
For the Year Ended December 31, 2013

1. Plan Description

The following description of the Arc Machines, Inc. 401(k) Savings Plan (the Plan) provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

a. General

The Plan, as amended and restated, effective January 1, 2013, is a defined contribution plan covering eligible employees of Arc Machines, Inc., (the Company) who have completed one month of service and attained the age of 18. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

On December 24, 2013, the Company closed the AMI Applied Solutions division and laid off its employees. The reduction in participant count when combined with other involuntary terminations that occurred concurrently resulted in a partial plan termination. As a result, all AMI Applied Solutions participants along with others who were concurrently terminated became fully vested in their accounts.

b. Contributions

Participants may contribute from 1 to 75 percent of pretax annual compensation, as defined in the plan document and allowed by law. Participants may also contribute amounts representing distributions from other qualified plans. Company contributions are discretionary. The company did not make any contributions during the year ended December 31, 2013.

c. Participant Accounts

Each participant's account is credited with the participant's contribution, allocations of the Company's contribution, if applicable, and the Plan's earnings and losses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Participants direct the investment of their accounts into various investment options offered by the Plan.

d. Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts plus actual earnings thereon is based upon years of continuous service. Participants vest at a rate of 25 percent per year of credited service until they are 100 percent vested after four years, as defined in the plan document.

As described in Note 1a, all AMI Applied Solutions participants along with others who were concurrently terminated involuntarily became fully vested in their accounts as a result of the partial plan termination.

ARC MACHINES, INC. 401(k) SAVINGS PLAN

Notes to Financial Statements
For the Year Ended December 31, 2013

e. Distribution of Benefits

Upon termination of employment due to termination of service, death, disability, or retirement, participants may elect to receive the value of their vested account balance in a lump-sum distribution or installments. Participants may also take a financial hardship withdrawal under certain circumstances.

f. Forfeited Accounts

At December 31, 2013 and 2012, forfeited non-vested accounts totaled \$13,003 and \$2,713, respectively. These accounts will be used to reduce future Company contributions.

g. Notes Receivable from Participants

Participants may borrow the lesser of \$50,000 (reduced by the participant's highest outstanding loan balance during the 12-month period ending on the date of the loan) or 50 percent of their vested account balance with a minimum loan amount of \$1,000. Loan terms range up to five years, but may be extended if the proceeds are to be used for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest from 4.25 percent to 5.25 percent. Principal and interest are paid ratably through payroll deductions.

2. Summary of Significant Accounting Policies

a. Basis of Accounting

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

b. Use of Estimates

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

c. 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 5 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 realized and unrealized appreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

ARC MACHINES, INC. 401(k) SAVINGS PLAN

Notes to Financial Statements
For the Year Ended December 31, 2013

d. Payment of Benefits

Benefits are recorded when paid.

e. Net Appreciation in Fair Value of Investments

Realized gains and losses on investments are based on the market value of the asset 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 the investments are sold during the year. Unrealized gains and losses on investments are based on the market 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 at the end of the year. Net realized and unrealized appreciation in fair value of investments is reflected in the accompanying Statement of Changes in Net Assets Available for Plan Benefits.

f. Administrative Expenses

Certain administrative expenses incidental to the administration of the Plan, including fees of the administrative agent and independent public accountants, may be paid by the Plan. The Company, at its discretion, decided to pay for certain of these administrative expenses on behalf of the Plan. Most investment options have management fees, which reduce the overall return on assets. The net realized and unrealized appreciation in fair value of investments is reflected net of these fees.

g. Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent loans are treated as distributions based upon the terms of the plan document.

h. Subsequent Events

The Plan has evaluated the subsequent events through August 11, 2014, the date the financial statements were available to be issued.

3. Risks and Uncertainties

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

ARC MACHINES, INC. 401(k) SAVINGS PLAN

Notes to Financial Statements
For the Year Ended December 31, 2013

4. Investments

The following presents investments that represent five percent or more of the Plan's net assets at December 31, 2013 and 2012.

	<u>2013</u>	<u>2012</u>
Putnam Equity Income A	\$ 1,615,589	\$ 1,855,972
Putnam S&P 500 Index	1,446,420	1,043,597
Neuberger Berman Genesis Trust	1,322,333	838,038
T. Rowe Price Growth Stock Advisor	1,215,936	1,068,085
Putnam Money Market A	1,013,702	1,197,971
PIMCO Total Return Admin	846,714	1,047,864
Harbor International Investor	772,266	738,494
Putnam US Governmental Income A	761,307	1,005,278
Franklin Small-Mid Cap Growth A	-	647,455

During 2013, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$1,549,974 as follows:

Common/Collective trust	\$ 331,110
Mutual funds	<u>1,218,864</u>
	<u>\$ 1,549,974</u>

5. Fair Value Measurement

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

ARC MACHINES, INC. 401(k) SAVINGS PLAN

Notes to Financial Statements
For the Year Ended December 31, 2013

5. Fair Value Measurement (Continued)

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
Level 2	<p>Inputs to the valuation methodology include</p> <ul style="list-style-type: none">• quoted prices for similar assets or liabilities in active markets;• quoted prices for identical or similar assets or liabilities in inactive markets;• inputs other than quoted prices that are observable for the asset or liability;• inputs that are derived principally from or corroborated by observable market data by correlation or other means. <p>If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.</p>
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2013 and 2012.

Mutual funds: Valued at the net asset value (NAV) of shares held by the Plan at year end.

Common/Collective trust: Valued at the NAV of units held by the Plan at year end, which is considered by plan management to be the best approximation of fair value. The unit values of the Putnam S&P Index Fund are calculated based on the collective fair values of the underlying investments. The fund primarily invests in common stocks and other securities that constitute the Standard & Poor's 500 Composite Stock Price Index (S&P 500 Index) with the goal of closely approximating the return of that index. There are no notable restrictions on the redemption of investments held in the fund.

The preceding methods 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.

ARC MACHINES, INC. 401(k) SAVINGS PLAN

Notes to Financial Statements
For the Year Ended December 31, 2013

5. Fair Value Measurement (Continued)

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2013 and 2012.

Assets at Fair Value as of December 31, 2013

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Balanced	\$ 718,488	\$ -	\$ -	\$ 718,488
Fixed income	2,621,723	-	-	2,621,723
U.S. equity	4,874,775	-	-	4,874,775
International equity	772,266	-	-	772,266
Total mutual funds	8,987,252	-	-	8,987,252
Common/Collective trust	-	1,446,420	-	1,446,420
Total assets at fair value	\$ 8,987,252	\$ 1,446,420	\$ -	\$ 10,433,672

Assets at Fair Value as of December 31, 2012

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Balanced	\$ 825,719	\$ -	\$ -	\$ 825,719
Fixed income	3,251,113	-	-	3,251,113
U.S. equity	5,148,180	-	-	5,148,180
International equity	738,494	-	-	738,494
Total mutual funds	9,963,506	-	-	9,963,506
Common/Collective trust	-	1,043,597	-	1,043,597
Total assets at fair value	\$ 9,963,506	\$ 1,043,597	\$ -	\$ 11,007,103

ARC MACHINES, INC. 401(k) SAVINGS PLAN

Notes to Financial Statements
For the Year Ended December 31, 2013

6. Tax Exempt Status

The Plan was subject to a favorable opinion letter from the Internal Revenue Service (IRS) dated May 17, 2011, and the plan administrator believes the Plan has been operated in accordance with the applicable provisions of the Internal Revenue Code (IRC). Although the Plan has been amended, the Company routinely self-reviews the administration of the Plan and self-corrects any compliance issues in accordance with the Employee Plan Compliance Resolution System. Accordingly, the plan administrator believes that the Plan and related trust are designed in accordance with applicable sections of the IRC and, accordingly, are exempt from income taxes.

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 organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. The plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2013, 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 plan years ended on December 31, 2009, or prior.

7. Summary of Unaudited Information

The Trustee of the Plan certified certain information, which was not audited in accordance with the plan administrator's instructions and as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Information certified by the Trustee consists of the following:

- Fair value of investments and the carrying amount of notes receivable from participants as reflected in the Statements of Net Assets Available for Plan Benefits as of December 31, 2013 and 2012.
- Investment income and interest income on notes receivable from participants as reflected in the Statement of Changes in Net Assets Available for Plan Benefits for the Year Ended December 31, 2013.
- Investment information as reflected in Notes 4 and 5 to these financial statements.
- Investment information reflected in the Schedule H, line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2013.

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

8. Related Party Transactions

Putnam Fiduciary Trust Company is the Trustee of the Plan and holds and manages investments. Transactions with Putnam Fiduciary Trust Company are party-in-interest transactions, as defined by ERISA.

ARC MACHINES, INC. 401(k) SAVINGS PLAN

Notes to Financial Statements
For the Year Ended December 31, 2013

9. Plan Termination

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

10. Non-exempt Transactions

Certain of the participant contributions were not remitted within the maximum period of time permitted by the Department of Labor's Rules and Regulations and, therefore, constitute the lending of monies from the Plan to the Company. These non-exempt transactions are detailed in the attached supplemental schedule, Schedule H, Line 4a - Schedule of Delinquent Participant Contributions as of December 31, 2013.

The plan sponsor is in the process of correcting the non-exempt transactions by making contributions to the Plan and allocating lost earnings to affected participants.

11. Reconciliation to Form 5500

The following is a reconciliation of net assets available for plan benefits per the financial statements to the Form 5500 at December 31, 2013 and 2012.

	2013	2012
Net assets available for plan benefits per the financial statements	\$ 10,722,491	\$ 11,742,318
Loans deemed distributed	(22,319)	(49,033)
Company contributions receivable	-	(307,240)
Participant contributions receivable	(11,657)	(8,108)
Net assets available for plan benefits per the Form 5500	<u>\$ 10,688,515</u>	<u>\$ 11,377,937</u>

The following is a reconciliation of the change in net assets per the financial statements to the Form 5500 for the year ended December 31, 2013.

Net decrease in plan assets per the financial statements	\$ (1,019,827)
Receipt of company contributions receivable accrued in prior year	307,240
Participant contributions receivable accrued in the current year	(11,657)
Receipt of participant contributions receivable accrued in prior year	8,108
Loans deemed distributed	26,714
Net decrease in plan assets per the Form 5500	<u>\$ (689,422)</u>

ARC MACHINES, INC. 401(k) SAVINGS PLAN
EIN: 95-3010284 PLAN: 002
Schedule H, line 4i - Schedule of Assets (Held at End of Year)
As of December 31, 2013

a)	b) Identity of Issue, Borrower, Lessor, or Similar Party	c) Description of Investment	d) Cost	e) Current Value
*	Putnam S&P 500 Index	Common/Collective Trust	**	\$ 1,446,420
*	Putnam Retirement Income Lifestyle 1 A	Mutual Funds	**	69,403
*	Putnam RetirementReady 2015 A	Mutual Funds	**	138,429
*	Putnam RetirementReady 2020 A	Mutual Funds	**	95,501
*	Putnam RetirementReady 2025 A	Mutual Funds	**	145,473
*	Putnam RetirementReady 2030 A	Mutual Funds	**	60,563
*	Putnam RetirementReady 2035 A	Mutual Funds	**	56,440
*	Putnam RetirementReady 2040 A	Mutual Funds	**	79,277
*	Putnam RetirementReady 2045 A	Mutual Funds	**	69,653
*	Putnam RetirementReady 2050 A	Mutual Funds	**	1,157
*	Putnam RetirementReady 2055 A	Mutual Funds	**	2,592
	Harbor International Investor	Mutual Funds	**	772,266
	Fidelity Advisor Real Estate A	Mutual Funds	**	329,326
	Clearbridge Small Cap Growth A	Mutual Funds	**	72,087
	Delaware Small Cap Value	Mutual Funds	**	31,610
	Neuberger Berman Genesis Trust	Mutual Funds	**	1,322,333
	J. P. Morgan Mid Cap Value A	Mutual Funds	**	287,894
*	Putnam Equity Income A	Mutual Funds	**	1,615,589
	T. Rowe Price Growth Stock Advisor	Mutual Funds	**	1,215,936
*	Putnam US Government Income A	Mutual Funds	**	761,307
	PIMCO Total Return Admin	Mutual Funds	**	846,714
*	Putnam Money Market A	Mutual Funds	**	1,013,702
*	Participant Loans	Loans to participants, bearing interest from 4.25% to 5.25%	**	277,162
				<u>\$ 10,710,834</u>

* Represents a party-in-interest as defined by ERISA

** Not applicable for participant-directed plans

See report of independent public accountants and accompanying notes.

ARC MACHINES, INC. 401(k) SAVINGS PLAN
EIN: 95-3010284 PLAN: 002
Schedule H, line 4a - Schedule of Delinquent Participants Contributions
As of December 31, 2013

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
Check here if Late Participant Loan Repayments are included:	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
N/A	\$ 1,058	\$ -	\$ -	\$ -

* See note 10 to financial statements.

See report of independent public accountants and accompanying notes.

Employer Identification No.: ► 95-3010284

Plan year (beginning/ending):▶ 01/01/2013 - 12/31/2013 Plan number:▶ 002

[illegible]

ASSETS HELD FOR INVESTMENT PURPOSES

Arc Machines, Inc. 401(k) Savings Plan
01-JAN-13 to 31-DEC-13

28-JAN-14 20:49:25

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
IPRMAX			66,587.72	69,403.09
IPRRHX			130,650.86	138,429.13
IPRRMX			88,408.27	95,501.40
IPRROX			130,480.37	145,472.85
IPRRQX			51,523.49	60,563.07
IPRRWX			46,772.97	56,439.67
IPRRZX			65,419.70	79,277.41
IPRVLX			64,015.26	69,652.77
IQBMEQ			1,174.00	1,156.04
IPUTA55			2,438.07	2,592.38
IHIINX			630,539.44	772,266.07
IFHEAX			348,906.23	329,326.10
ISASMX			65,670.62	72,087.03
IDE-SCV			28,665.25	31,610.39
INB-GEN			1,123,290.36	1,322,332.57
IJAMCX			266,517.73	287,894.42
IPEYAX			1,324,105.61	1,615,588.56
1PT-SP5			1,104,896.67	1,446,420.19
ITRSAX			858,833.75	1,215,936.04
1PT-GVI			781,411.93	761,306.96
IPI-TRT			894,851.18	846,713.51
1PDDXX			1,000,698.81	1,000,698.81
			9,075,858.29	10,420,668.46
PARTICIPANT LOANS	VARIOUS	4.250-6.750	273,670.16	277,162.32
FORFEITURES			13,003.24	13,003.24

ASSETS HELD FOR INVESTMENT PURPOSES

Arc Machines, Inc. 401(k) Savings Plan
01-JAN-13 to 31-DEC-13

28-JAN-14 20:49:25

INVESTMENT OPTION

MATURITY DATE

INTEREST RATE

COST OF ASSETS

CURRENT VALUE

LEGEND

INVESTMENT OPTION:

1PRMAX Putnam Retirement Income Lifestyle 1 A
1PRRMX Putnam Retirement Ready 2020 A
1PRRQX Putnam Retirement Ready 2030 A
1PRRZX Putnam Retirement Ready 2040 A
1QBMEQ Putnam Retirement Ready 2050 A
1HIINX Harbor International Fund - Inv
1SASMX ClearBridge Small Cap Growth A
1NB-GEN Neuberger & Berman Genesis Trust
1PEYAX Putnam Equity Income A
1TRSAX T. Rowe Price Growth Stock Fund - Adv
1PI-TRT PIMCO Total Return Fund - Admin

1PRRHX Putnam Retirement Ready 2015 A
1PRROX Putnam Retirement Ready 2025 A
1PRRWX Putnam Retirement Ready 2035 A
1PRVLX Putnam Retirement Ready 2045 A
1PUTA55 Putnam Retirement Ready 2055 A
1FHEAX Fidelity Advisor Real Estate A
1DE-SCV Delaware Small Cap Value Fund
1JAMCX J P Morgan Mid Cap Value A
1PT-SP5 Putnam S & P 500 Index
1PT-GVI Putnam U.S. Government Income Trust- A
1PDDXX Putnam Money Market A

COST OF ASSETS: The original cost of the assets in each investment option as of the last day of the plan year

CURRENT VALUE: The value of all assets in each investment option as of the last day of the plan year