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

2013

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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;
- [X] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
MAGNUM ENGINEERING AND CONTROLS 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2001

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

MAGNUM ENGINEERING AND CONTROLS

24 COMMERCIAL PLACE
SCHERTZ, TX 78154

2b Employer Identification Number (EIN)
74-2953381

2c Sponsor's telephone number
210-658-5351

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.	11/25/2014	CARMEN BRYANT
	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 [X] Same as Plan Sponsor Name [ ] Same as Plan Sponsor Address

3b Administrator's EIN

3c Administrator's telephone number

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	143
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**	108
b	Retired or separated participants receiving benefits	**6b**	4
c	Other retired or separated participants entitled to future benefits	**6c**	51
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	163
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f	Total. Add lines **6d** and **6e**.	**6f**	163
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	163
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 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)	[X]	Trust
(4)	[ ]	General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	[ ]	Insurance
(2)	[ ]	Code section 412(e)(3) insurance contracts
(3)	[X]	Trust
(4)	[ ]	General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	[X]	**R** (Retirement Plan Information)
(2)	[ ]	**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	[ ]	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	[X]	**H** (Financial Information)
(2)	[ ]	**I** (Financial Information – Small Plan)
(3)	[ ]	**A** (Insurance Information)
(4)	[X]	**C** (Service Provider Information)
(5)	[ ]	**D** (DFE/Participating Plan Information)
(6)	[ ]	**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)

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
MAGNUM ENGINEERING AND CONTROLS 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
MAGNUM ENGINEERING AND CONTROLS

D Employer Identification Number (EIN)
74-2953381

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

(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 72	NONE	29891	Yes [X] No [ ]	Yes [X] No [ ]	9541	Yes [ ] No [X]

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

LPL FINANCIAL, LLC

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?
26 27	NONE	0	Yes [X] No [ ]	Yes [X] No [ ]	16014	Yes [ ] No [X]

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

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
MAGNUM ENGINEERING AND CONTROLS 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
MAGNUM ENGINEERING AND CONTROLS

D Employer Identification Number (EIN)
74-2953381

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	92437	82099
(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)	2898618	3551062
(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	2991055	3633161
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	2991055	3633161

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)	90007	
	(B) Participants	2a(1)(B)	368081	
	(C) Others (including rollovers)	2a(1)(C)	24092	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		482180
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)	2277	
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		2277
	(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)		523031
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		1007488
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	347021	
(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)		347021
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		18361
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)		
(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		365382
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		642106
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: SOL SCHWARTZ & ASSOCIATES, PC (2) EIN: 74-2392222

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		326118
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)

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.

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

A Name of plan
MAGNUM ENGINEERING AND CONTROLS 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
MAGNUM ENGINEERING AND CONTROLS

D Employer Identification Number (EIN)
74-2953381

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): 31-1592130

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):

MAGNUM ENGINEERING & CONTROLS 401K PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

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Sol Schwartz & Associates, P.C.
Certified Public Accountants

Founder
Sol Schwartz

Shareholders
Jeff Albrecht
Bennett Allison
Shai Frietze
John Gilbert
Jeff Jackson
Manuel Long
Bill McEntire
Cesar Mejia
Jim Rice

Independent Auditor's Report

To the Plan Administrative Committee
Magnum Engineering & Controls 401K Plan
Schertz, Texas

We were engaged to audit the accompanying financial statements of Magnum Engineering & Controls 401K Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2013, 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 as listed in the accompanying index.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of the 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 3, which was certified by Nationwide Financial Services, Inc., the custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the

custodian as of and for the year ended December 31, 2013, that the information provided to the plan administrator by the custodian is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental schedules of Schedule H, Line 4i – Schedule of Assets (held at end of year) and Schedule H, Line 4a – Schedule of Delinquent Participant Contributions 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 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 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.

Report on Compiled Financial Statements

We have compiled the accompanying statement of net assets available for benefits of Magnum Engineering & Controls 401K Plan as of December 31, 2012, and the related statement of changes in net assets available for benefits for the year then ended. We have not audited or reviewed the accompanying 2012 financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Plan management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Sol Schwartz & Associates, P.C.

October 13, 2014

7550 IH-10 West | Suite 1200 | San Antonio, Texas 78229 | Ph: 210.384.8000 | Fax: 210.384.8011 | www.ssacpa.com

MAGNUM ENGINEERING & CONTROLS 401K PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2013 AND 2012

	December 31, 2013	December 31, 2012 (Unaudited)
Assets		
Investments, at fair value		
Invesment shares in registered invesment companies	$ 3,551,062	$ 2,898,618
Total investments	3,551,062	2,898,618
Receivables		
Participants' contributions receivable	14,346	25,679
Employer contributions receivable	60,000	90,000
Notes receivable from participants	82,099	92,437
Total assets	3,707,507	3,106,734
Liabilities		
Excess contributions payable	-	7,999
Total liabilities	-	7,999
Net assets available for benefits	$ 3,707,507	$ 3,098,735

The accompanying notes are an integral part of these financial statements

MAGNUM ENGINEERING & CONTROLS 401K PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012 (Unaudited)
Additions		
Investment income		
Net appreciation in fair value of investments	$ 523,031	$ 287,551
Interest on notes receivable from participants	2,277	2,222
Net investment income	525,308	289,773
Contributions		
Employer	60,007	90,000
Employee	355,742	432,053
Other - rollovers	24,092	14,820
Total contributions	439,841	536,873
Net additions	965,149	826,646
Deductions from net assets attributed to:		
Benefits paid to participants	354,082	32,147
Corrective distribution	-	7,999
Administrative expenses	2,295	2,357
Total deductions	356,377	42,503
Net increase in net assets available for benefits	608,772	784,143
Net assets available for benefits at beginning of year	3,098,735	2,314,592
Net assets available for benefits at end of year	$ 3,707,507	$ 3,098,735

The accompanying notes are integral part of these financial statements

NOTE 1 – DESCRIPTION OF PLAN

The following description of Magnum Engineering & Controls 401K Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering all employees of the company who have one (1) month of service and are age twenty-one (21) or older. The Plan is designed to meet the requirements of Internal Revenue Code Section 401(a) and is subject to provisions of the Employment Retirement and Income Security Act of 1974 (ERISA). Entry dates for participants are the first of every month.

Contributions

Participants may defer a percentage of their compensation (either as a pre-tax or Roth deferral) from 0% to 100% in increments of 0.1%. Effective January 1, 2001 the Plan sponsor began making discretionary profit sharing contributions as determined and authorized by its Board of Directors based on the Company's performance against the profitability target established for the year. Discretionary profit sharing contributions are allocated to each eligible participant's account. Participants who reach the age of 50 before the close of the year are eligible to make catch-up elective deferral contributions.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocation of the Company's contribution and Plan earnings. Participant accounts are also charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their voluntary contributions, plus actual earnings thereon. Vesting in the Company's discretionary profit sharing contributions portion of their accounts, plus earnings thereon is also immediate—a participant is 100% vested upon entering the plan.

NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)

Payment of Benefits

On termination of service due to death, disability, or retirement, a participant with an account balance of $5,000 or less will receive an amount equal to the value of the participant's vested interest in his or her account in a lump-sum payment as soon as administratively feasible. Participants with account balances larger than $5,000 can elect to receive the balance in installments over a period not to exceed their life expectancy or that of their beneficiary, determined at the time of the distribution. In addition, a participant may withdraw their elective deferrals for financial hardships. Discretionary profit sharing contributions may only be withdrawn upon termination of employment, disability, death or plan termination.

Notes receivable from participants

Participants may borrow, subject to certain conditions, from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance. Loans to participants are reported at their unpaid principal balances plus any accrued but unpaid interest.

Administrative Expenses

Administrative expenses for the plan custodial fees are charged against each participant's account. Other expenses such as audit fees are paid by the plan sponsor.

Basis of Accounting

The financial statements are prepared using the accrual method of accounting and present the net assets available for the benefit of the participants and changes in those net assets.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes and disclosures. Actual results could differ from those estimates.

Payment of Benefits

Benefits are recorded when paid.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 8 for discussion of fair value measurements.

Purchases and sales are recorded as of the trade date. Interest is recorded on an accrual basis. Dividends are recorded on the ex-dividend date.

NOTE 3 – CERTIFIED FINANCIAL INFORMATION

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA for the years ended December 31, 2013 and 2012. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's independent auditor not to perform any auditing procedures with respect to the following information certified by Nationwide Financial Services, Inc for the years ended December 31, 2013 and 2012, except for comparing such information certified by the custodian to information included in the Plan's financial statements and supplemental schedules.

The following table presents the fair value of participant-directed investments and participant loans in this Plan that were certified by Nationwide Financial Services, Inc. for the year ended December 31, 2013. Individual investments that represent 5% or more of the Plan's net assets available for benefits are separately identified below:

NOTE 3 – CERTIFIED FINANCIAL INFORMATION (CONTINUED)

	2013
MFS DIVRS INC A	$ 373,891
FIDADV FREE 2025	299,811
WFA GR A	299,674
TROWEPR NEW HRIZNS	236,430
NW DEST 2030 INST	223,269
Other assets certified by Nationwide Financial Services, Inc. (individually less than 5% of total certified investments)	2,117,987
Participants Loans	82,099
	$ 3,633,161

Nationwide Financial Services, Inc. has certified to the completeness and accuracy of the $523,031 of the net appreciation in fair value of investments for the year ended December 31, 2013. Nationwide Financial Services, Inc. also certified the $2,227 of interest income from participant loans for the year ending December 31, 2013.

The following table presents the fair value of participant-directed investments and participant loans in this Plan that were certified by Nationwide Financial Services, Inc. for the year ended December 31, 2012. Individual investments that represent 5% or more of the Plan's net assets available for benefits are separately identified below:

	2012
MFS DIVRS INC A	$ 327,959
NW DEST 2030 INST	295,292
FIDADV FREE 2025	246,693
WFA GR A	191,450
NW MNY MKT INST	158,291
Other assets certified by Nationwide Financial Services, Inc. (individually less than 5% of total certified investments)	1,678,933
Participant Loans	92,437
	$ 2,991,055

NOTE 4 – RECONCILIATION OF PLAN FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Annual Return/Report of Employee Benefit Plan - Form 5500 as of December 31, 2013 and 2012.

	2013	2012
Net assets available for benefits per the financial statements	$ 3,707,507	$ 3,098,735
Less participants' contributions receivable	(14,346)	(25,679)
Less employer contributions receivable	(60,000)	(90,000)
Plus excess contributions payable	-	7,999
Net assets available for benefits per the Form 5500	$ 3,633,161	$ 2,991,055

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to the net income per the Form 5500 for the years ended of December 31, 2013 and 2012.

	2013	2012
Net increase in net assets available for benefits per the financial statements	$ 608,772	$ 784,143
Less current year participant contributions receivable	(14,346)	$ (25,679)
Less current year employer contributions receivable	(60,000)	$ (90,000)
Plus prior year participant contributions receivable	25,679	-
Plus prior year employer contributions receivable	90,000	-
Less excess contributions payable at the beginning of the year	(7,999)	-
Plus excess contributions payable at the end of the year	-	7,999
Net income per the Form 5500	$ 642,106	$ 676,463

NOTE 5 – TAX STATUS

The Internal Revenue Service has determined that the prototype plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). The plan administrator and its legal counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC, therefore, believe that the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken uncertain tax positions that more-likely-than-not would not be sustained upon examination by applicable taxing authorities. The plan administrator has analyzed tax positions taken by the Plan and has concluded that there are no uncertain tax positions taken, or expected to be taken, that would require recognition of a liability or that would require disclosure in the financial statements.

The Plan is subject to routine audits by taxing jurisdictions. However, currently no audits for any tax periods are in progress. The plan administrator believes that the Plan is no longer subject to income tax examination for years ending prior to December 31, 2010.

NOTE 6 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

NOTE 7 – CONCENTRATIONS OF CREDIT RISK

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

NOTE 8 - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board ASC 820, *Fair Value Measurements* (FASB ASC 820), establishes a 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). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

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 Input to the valuation methodology include:

- 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.

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

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.

The following is a description of the valuation methodologies used for assets measured at fair value used by the Plan.

Investment shares in registered investment companies: Valued at quoted market prices which represent the net asset value (NAV) of shares held by the plan at year end.

NOTE 8 – FAIR VALUE MEASUREMENTS (CONTINUED)

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

The Plan's assets and liabilities recorded at fair value have been categorized based upon the fair value hierarchy in accordance with FASB ASC 820. The following table sets 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			
Investments	Level 1	Level 2	Level 3	Total
Invesment shares in registered invesment companies	$ 3,551,062	$ -	$ -	$ 3,551,062
	$ 3,551,062	$ -	$ -	$ 3,551,062

	Assets at Fair Value as of December 31, 2012			
Investments	Level 1	Level 2	Level 3	Total
Invesment shares in registered invesment companies	$ 2,898,618	$ -	$ -	$ 2,898,618
	$ 2,898,618	$ -	$ -	$ 2,898,618

NOTE 9 – BONDING REQUIREMENT

The Plan was not in compliance with the bonding requirement set by ERISA, Title I, Section 412 for the years ended December 31, 2013 and 2012. The plan sponsor obtained the proper amount of bonding for the Plan on January 7, 2014.

NOTE 10 - SUBSEQUENT EVENTS

Subsequent events have been evaluated by the Plan through October 13, 2014, the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

MAGNUM ENGINEERING & CONTROLS 401K PLAN
EMPLOYER IDENTIFICATION NUMBER 74-2953381, PLAN 001
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2013

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Par, or Maturity Value	Cost	Current Value
*	Nationwide	MFS DIVRS INC A	-	$ 373,891
*	Nationwide	FIDADV FREE 2025	-	299,811
*	Nationwide	WFA GR A	-	299,674
*	Nationwide	TROWEPR NEW HRIZNS	-	236,430
*	Nationwide	NW DEST 2030 INST	-	223,269
*	Nationwide	NW DEST 2015 INST	-	167,140
*	Nationwide	NW MNY MKT INST	-	156,525
*	Nationwide	NW DEST 2040 INST	-	137,145
*	Nationwide	ABRDEN DIVRS INC	-	135,468
*	Nationwide	NW DEST 2035 INST	-	131,057
*	Nationwide	OPP DEVL MKT A	-	125,199
*	Nationwide	NW DEST 2020 INST	-	107,029
*	Nationwide	ALLBER SMCAP GR K	-	103,997
*	Nationwide	BLKRK HLTH SCNC OPPR INV	-	95,659
*	Nationwide	ALLBER HI INC A	-	76,468
*	Nationwide	MGRS YCKTMN FOCS SVC	-	73,653
*	Nationwide	PRNCPL MDCAP INST	-	69,593
*	Nationwide	VNGRD WLNGTN INV	-	63,055
*	Nationwide	VIC ESTBLSHD VAL A	-	54,903
*	Nationwide	VNGRD WLSLY INC INV	-	47,503
*	Nationwide	ALGER CAP APP INST I	-	47,474
*	Nationwide	PRUDNTL JNISN NATRL RSRC A	-	44,081
*	Nationwide	MFS INTL VAL A	-	42,027
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*	Nationwide	RDGWRTH MDCAP VAL EQ	-	39,123
*	Nationwide	RDGWRTH AGGR GR STK I	-	38,198
*	Nationwide	PIMCO TTL RTN INST	-	34,405
*	Nationwide	FIDADV LEVR CO STK INST	-	29,458

MAGNUM ENGINEERING & CONTROLS 401K PLAN
EMPLOYER IDENTIFICATION NUMBER 74-2953381, PLAN 001
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2013 (CONTINUED)

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Par, or Maturity Value	Cost	Current Value
*	Nationwide	OPP INTL SM CO A	-	27,386
*	Nationwide	ASTN FRPT MDCAP	-	25,935
*	Nationwide	PARNASSUS WRKPLC	-	23,153
*	Nationwide	JPM US EQ INST	-	19,118
*	Nationwide	DE EXTND DUR BD	-	15,845
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*	Nationwide	WFA EMRG MKT EQ	-	10,301
*	Nationwide	HARBOR INTL INST	-	9,299
*	Nationwide	WR IVY SCNC TECH	-	8,727
*	Nationwide	NEUBER REALEST A	-	8,482
*	Nationwide	FIDADV REALEST A	-	7,867
*	Nationwide	WEITZ PTNRS III OPPR	-	7,508
*	Nationwide	RDGWRTH SMCAP VAL EQ	-	7,235
*	Nationwide	WFA GLBL OPPR	-	6,792
*	Nationwide	PRNCPL HI YLD INST	-	5,852
*	Nationwide	JNS OVRSEAS I	-	4,656
*	Nationwide	ABRDEN DYNMC ALLOC	-	4,318
*	Nationwide	RS TECH A	-	3,024
*	Nationwide	BARON IOPPR	-	2,702
*	Nationwide	VANECK INTL INV GOLD A	-	2,474
*	Nationwide	HEARTLAND VAL PLS INV	-	1,813
*	Nationwide	JPM SMCAP EQ A	-	1,370
*	Nationwide	PIMCO COMDTYREALRTNSTRA	-	1,360
*	Nationwide	FIDADV MDCAP III	-	19
	Participant Loans	3.25%-5.25% INTEREST RATE	-	82,099

* party-in-interest

MAGNUM ENGINEERING & CONTROLS 401K PLAN
EMPLOYER IDENTIFICATION NUMBER 74-2953381, PLAN NO. 001
SCHEDULE H, LINE 4a -SCHEDULE OF DELINQUENT
PARTICIPANT CONTRIBUTIONS

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	
$14,089 - 21 days delinquent			$ 14,089	
$17,080 - 11 days delinquent			$ 17,080	
$17,190 – 21 days delinquent			$ 17,190	
$17,174 – 11 days delinquent			$ 17,174	
$17,461 – 21 days delinquent			$ 17,461	
$15,309 – 11 days delinquent			$ 15,309	
$16,031 – 23 days delinquent			$ 16,031	
$16,929 – 13 days delinquent			$ 16,929	
$15,767 – 24 days delinquent			$ 15,767	
$15,305 – 14 days delinquent			$ 15,305	
$14,986 – 5 days delinquent			$ 14,986	
$14,588 – 12 days delinquent			$ 14,588	
$15,237 – 2 days delinquent			$ 15,237	
$13,717 – 19 days delinquent			$ 13,717	
$14,268 – 9 days delinquent			$ 14,268	
$14,176 – 19 days delinquent			$ 14,176	
$13,963 – 9 days delinquent			$ 13,963	
$13,646 – 22 days delinquent			$ 13,646	
$13,963 - 12 days delinquent			$ 13,963	
$13,646 – 22 days delinquent			$ 13,646	
$13,724 – 12 days delinquent			$ 13,724	
$13,286 – 25 days delinquent			$ 13,286	
$12,886 – 15 days delinquent			$ 12,886	
$13,358 – 5 days delinquent			$ 13,358	
$17,015 – 13 days delinquent			$ 17,015	
$17,035 – 3 days delinquent			$ 17,035	

MAGNUM ENGINEERING & CONTROLS 401K PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

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Sol Schwartz & Associates, P.C.
Certified Public Accountants

Founder
Sol Schwartz

Shareholders
Jeff Albrecht
Bennett Allison
Shai Frietze
John Gilbert
Jeff Jackson
Manuel Long
Bill McEntire
Cesar Mejia
Jim Rice

Independent Auditor's Report

To the Plan Administrative Committee
Magnum Engineering & Controls 401K Plan
Schertz, Texas

We were engaged to audit the accompanying financial statements of Magnum Engineering & Controls 401K Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2013, 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 as listed in the accompanying index.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of the 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 3, which was certified by Nationwide Financial Services, Inc., the custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the

custodian as of and for the year ended December 31, 2013, that the information provided to the plan administrator by the custodian is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental schedules of Schedule H, Line 4i – Schedule of Assets (held at end of year) and Schedule H, Line 4a – Schedule of Delinquent Participant Contributions 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 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 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.

Report on Compiled Financial Statements

We have compiled the accompanying statement of net assets available for benefits of Magnum Engineering & Controls 401K Plan as of December 31, 2012, and the related statement of changes in net assets available for benefits for the year then ended. We have not audited or reviewed the accompanying 2012 financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Plan management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Sol Schwartz & Associates, P.C.

October 13, 2014

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MAGNUM ENGINEERING & CONTROLS 401K PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2013 AND 2012

	December 31, 2013	December 31, 2012 (Unaudited)
Assets		
Investments, at fair value		
Invesment shares in registered invesment companies	$ 3,551,062	$ 2,898,618
Total investments	3,551,062	2,898,618
Receivables		
Participants' contributions receivable	14,346	25,679
Employer contributions receivable	60,000	90,000
Notes receivable from participants	82,099	92,437
Total assets	3,707,507	3,106,734
Liabilities		
Excess contributions payable	-	7,999
Total liabilities	-	7,999
Net assets available for benefits	$ 3,707,507	$ 3,098,735

The accompanying notes are an integral part of these financial statements

MAGNUM ENGINEERING & CONTROLS 401K PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012 (Unaudited)
Additions		
Investment income		
Net appreciation in fair value of investments	$ 523,031	$ 287,551
Interest on notes receivable from participants	2,277	2,222
Net investment income	525,308	289,773
Contributions		
Employer	60,007	90,000
Employee	355,742	432,053
Other - rollovers	24,092	14,820
Total contributions	439,841	536,873
Net additions	965,149	826,646
Deductions from net assets attributed to:		
Benefits paid to participants	354,082	32,147
Corrective distribution	-	7,999
Administrative expenses	2,295	2,357
Total deductions	356,377	42,503
Net increase in net assets available for benefits	608,772	784,143
Net assets available for benefits at beginning of year	3,098,735	2,314,592
Net assets available for benefits at end of year	$ 3,707,507	$ 3,098,735

The accompanying notes are integral part of these financial statements

NOTE 1 – DESCRIPTION OF PLAN

The following description of Magnum Engineering & Controls 401K Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering all employees of the company who have one (1) month of service and are age twenty-one (21) or older. The Plan is designed to meet the requirements of Internal Revenue Code Section 401(a) and is subject to provisions of the Employment Retirement and Income Security Act of 1974 (ERISA). Entry dates for participants are the first of every month.

Contributions

Participants may defer a percentage of their compensation (either as a pre-tax or Roth deferral) from 0% to 100% in increments of 0.1%. Effective January 1, 2001 the Plan sponsor began making discretionary profit sharing contributions as determined and authorized by its Board of Directors based on the Company's performance against the profitability target established for the year. Discretionary profit sharing contributions are allocated to each eligible participant's account. Participants who reach the age of 50 before the close of the year are eligible to make catch-up elective deferral contributions.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocation of the Company's contribution and Plan earnings. Participant accounts are also charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their voluntary contributions, plus actual earnings thereon. Vesting in the Company's discretionary profit sharing contributions portion of their accounts, plus earnings thereon is also immediate—a participant is 100% vested upon entering the plan.

NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)

Payment of Benefits

On termination of service due to death, disability, or retirement, a participant with an account balance of $5,000 or less will receive an amount equal to the value of the participant's vested interest in his or her account in a lump-sum payment as soon as administratively feasible. Participants with account balances larger than $5,000 can elect to receive the balance in installments over a period not to exceed their life expectancy or that of their beneficiary, determined at the time of the distribution. In addition, a participant may withdraw their elective deferrals for financial hardships. Discretionary profit sharing contributions may only be withdrawn upon termination of employment, disability, death or plan termination.

Notes receivable from participants

Participants may borrow, subject to certain conditions, from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance. Loans to participants are reported at their unpaid principal balances plus any accrued but unpaid interest.

Administrative Expenses

Administrative expenses for the plan custodial fees are charged against each participant's account. Other expenses such as audit fees are paid by the plan sponsor.

Basis of Accounting

The financial statements are prepared using the accrual method of accounting and present the net assets available for the benefit of the participants and changes in those net assets.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes and disclosures. Actual results could differ from those estimates.

Payment of Benefits

Benefits are recorded when paid.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 8 for discussion of fair value measurements.

Purchases and sales are recorded as of the trade date. Interest is recorded on an accrual basis. Dividends are recorded on the ex-dividend date.

NOTE 3 – CERTIFIED FINANCIAL INFORMATION

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA for the years ended December 31, 2013 and 2012. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's independent auditor not to perform any auditing procedures with respect to the following information certified by Nationwide Financial Services, Inc for the years ended December 31, 2013 and 2012, except for comparing such information certified by the custodian to information included in the Plan's financial statements and supplemental schedules.

The following table presents the fair value of participant-directed investments and participant loans in this Plan that were certified by Nationwide Financial Services, Inc. for the year ended December 31, 2013. Individual investments that represent 5% or more of the Plan's net assets available for benefits are separately identified below:

NOTE 3 – CERTIFIED FINANCIAL INFORMATION (CONTINUED)

	2013
MFS DIVRS INC A	$ 373,891
FIDADV FREE 2025	299,811
WFA GR A	299,674
TROWEPR NEW HRIZNS	236,430
NW DEST 2030 INST	223,269
Other assets certified by Nationwide Financial Services, Inc. (individually less than 5% of total certified investments)	2,117,987
Participants Loans	82,099
	$ 3,633,161

Nationwide Financial Services, Inc. has certified to the completeness and accuracy of the $523,031 of the net appreciation in fair value of investments for the year ended December 31, 2013. Nationwide Financial Services, Inc. also certified the $2,227 of interest income from participant loans for the year ending December 31, 2013.

The following table presents the fair value of participant-directed investments and participant loans in this Plan that were certified by Nationwide Financial Services, Inc. for the year ended December 31, 2012. Individual investments that represent 5% or more of the Plan's net assets available for benefits are separately identified below:

	2012
MFS DIVRS INC A	$ 327,959
NW DEST 2030 INST	295,292
FIDADV FREE 2025	246,693
WFA GR A	191,450
NW MNY MKT INST	158,291
Other assets certified by Nationwide Financial Services, Inc. (individually less than 5% of total certified investments)	1,678,933
Participant Loans	92,437
	$ 2,991,055

NOTE 4 – RECONCILIATION OF PLAN FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Annual Return/Report of Employee Benefit Plan - Form 5500 as of December 31, 2013 and 2012.

	2013	2012
Net assets available for benefits per the financial statements	$ 3,707,507	$ 3,098,735
Less participants' contributions receivable	(14,346)	(25,679)
Less employer contributions receivable	(60,000)	(90,000)
Plus excess contributions payable	-	7,999
Net assets available for benefits per the Form 5500	$ 3,633,161	$ 2,991,055

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to the net income per the Form 5500 for the years ended of December 31, 2013 and 2012.

	2013	2012
Net increase in net assets available for benefits per the financial statements	$ 608,772	$ 784,143
Less current year participant contributions receivable	(14,346)	$ (25,679)
Less current year employer contributions receivable	(60,000)	$ (90,000)
Plus prior year participant contributions receivable	25,679	-
Plus prior year employer contributions receivable	90,000	-
Less excess contributions payable at the beginning of the year	(7,999)	-
Plus excess contributions payable at the end of the year	-	7,999
Net income per the Form 5500	$ 642,106	$ 676,463

NOTE 5 – TAX STATUS

The Internal Revenue Service has determined that the prototype plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). The plan administrator and its legal counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC, therefore, believe that the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken uncertain tax positions that more-likely-than-not would not be sustained upon examination by applicable taxing authorities. The plan administrator has analyzed tax positions taken by the Plan and has concluded that there are no uncertain tax positions taken, or expected to be taken, that would require recognition of a liability or that would require disclosure in the financial statements.

The Plan is subject to routine audits by taxing jurisdictions. However, currently no audits for any tax periods are in progress. The plan administrator believes that the Plan is no longer subject to income tax examination for years ending prior to December 31, 2010.

NOTE 6 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

NOTE 7 – CONCENTRATIONS OF CREDIT RISK

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

NOTE 8 - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board ASC 820, *Fair Value Measurements* (FASB ASC 820), establishes a 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). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

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 Input to the valuation methodology include:

- 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.

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

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.

The following is a description of the valuation methodologies used for assets measured at fair value used by the Plan.

Investment shares in registered investment companies: Valued at quoted market prices which represent the net asset value (NAV) of shares held by the plan at year end.

NOTE 8 – FAIR VALUE MEASUREMENTS (CONTINUED)

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

The Plan's assets and liabilities recorded at fair value have been categorized based upon the fair value hierarchy in accordance with FASB ASC 820. The following table sets 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			
Investments	Level 1	Level 2	Level 3	Total
Invesment shares in registered invesment companies	$ 3,551,062	$ -	$ -	$ 3,551,062
	$ 3,551,062	$ -	$ -	$ 3,551,062

	Assets at Fair Value as of December 31, 2012			
Investments	Level 1	Level 2	Level 3	Total
Invesment shares in registered invesment companies	$ 2,898,618	$ -	$ -	$ 2,898,618
	$ 2,898,618	$ -	$ -	$ 2,898,618

NOTE 9 – BONDING REQUIREMENT

The Plan was not in compliance with the bonding requirement set by ERISA, Title I, Section 412 for the years ended December 31, 2013 and 2012. The plan sponsor obtained the proper amount of bonding for the Plan on January 7, 2014.

NOTE 10 - SUBSEQUENT EVENTS

Subsequent events have been evaluated by the Plan through October 13, 2014, the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

MAGNUM ENGINEERING & CONTROLS 401K PLAN
EMPLOYER IDENTIFICATION NUMBER 74-2953381, PLAN 001
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2013

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Par, or Maturity Value	Cost	Current Value
*	Nationwide	MFS DIVRS INC A	-	$ 373,891
*	Nationwide	FIDADV FREE 2025	-	299,811
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*	Nationwide	TROWEPR NEW HRIZNS	-	236,430
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*	Nationwide	NW MNY MKT INST	-	156,525
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*	Nationwide	VIC ESTBLSHD VAL A	-	54,903
*	Nationwide	VNGRD WLSLY INC INV	-	47,503
*	Nationwide	ALGER CAP APP INST I	-	47,474
*	Nationwide	PRUDNTL JNISN NATRL RSRC A	-	44,081
*	Nationwide	MFS INTL VAL A	-	42,027
*	Nationwide	NW DEST 2050 INST	-	41,983
*	Nationwide	VNGRD DIVD GR INV	-	41,016
*	Nationwide	RDGWRTH MDCAP VAL EQ	-	39,123
*	Nationwide	RDGWRTH AGGR GR STK I	-	38,198
*	Nationwide	PIMCO TTL RTN INST	-	34,405
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MAGNUM ENGINEERING & CONTROLS 401K PLAN
EMPLOYER IDENTIFICATION NUMBER 74-2953381, PLAN 001
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2013 (CONTINUED)

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Par, or Maturity Value	Cost	Current Value
*	Nationwide	OPP INTL SM CO A	-	27,386
*	Nationwide	ASTN FRPT MDCAP	-	25,935
*	Nationwide	PARNASSUS WRKPLC	-	23,153
*	Nationwide	JPM US EQ INST	-	19,118
*	Nationwide	DE EXTND DUR BD	-	15,845
*	Nationwide	PIMCO LOW DUR INST	-	10,592
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*	Nationwide	NEUBER REALEST A	-	8,482
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*	Nationwide	WEITZ PTNRS III OPPR	-	7,508
*	Nationwide	RDGWRTH SMCAP VAL EQ	-	7,235
*	Nationwide	WFA GLBL OPPR	-	6,792
*	Nationwide	PRNCPL HI YLD INST	-	5,852
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*	Nationwide	PIMCO COMDTYREALRTNSTRA	-	1,360
*	Nationwide	FIDADV MDCAP III	-	19
	Participant Loans	3.25%-5.25% INTEREST RATE	-	82,099

* party-in-interest

MAGNUM ENGINEERING & CONTROLS 401K PLAN
EMPLOYER IDENTIFICATION NUMBER 74-2953381, PLAN NO. 001
SCHEDULE H, LINE 4a -SCHEDULE OF DELINQUENT
PARTICIPANT CONTRIBUTIONS

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	
$14,089 - 21 days delinquent			$ 14,089	
$17,080 - 11 days delinquent			$ 17,080	
$17,190 – 21 days delinquent			$ 17,190	
$17,174 – 11 days delinquent			$ 17,174	
$17,461 – 21 days delinquent			$ 17,461	
$15,309 – 11 days delinquent			$ 15,309	
$16,031 – 23 days delinquent			$ 16,031	
$16,929 – 13 days delinquent			$ 16,929	
$15,767 – 24 days delinquent			$ 15,767	
$15,305 – 14 days delinquent			$ 15,305	
$14,986 – 5 days delinquent			$ 14,986	
$14,588 – 12 days delinquent			$ 14,588	
$15,237 – 2 days delinquent			$ 15,237	
$13,717 – 19 days delinquent			$ 13,717	
$14,268 – 9 days delinquent			$ 14,268	
$14,176 – 19 days delinquent			$ 14,176	
$13,963 – 9 days delinquent			$ 13,963	
$13,646 – 22 days delinquent			$ 13,646	
$13,963 - 12 days delinquent			$ 13,963	
$13,646 – 22 days delinquent			$ 13,646	
$13,724 – 12 days delinquent			$ 13,724	
$13,286 – 25 days delinquent			$ 13,286	
$12,886 – 15 days delinquent			$ 12,886	
$13,358 – 5 days delinquent			$ 13,358	
$17,015 – 13 days delinquent			$ 17,015	
$17,035 – 3 days delinquent			$ 17,035	

Attachment to 2013 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name MAGNUM ENGINEERING AND CONTROLS 401(k) Plan **EIN:** 74-2953381
Plan Sponsor's Name MAGNUM ENGINEERING AND CONTROLS **PN:** 001

(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
	ALLBer Hi Inc a	Mutual Funds		76,468
	Alger Cap App Inst I	Mutual Funds		47,474
	Astn Frpt MdCap	Mutual Funds		25,935
	Baron iOppr	Mutual Funds		2,702
	BlkRk Hlth Scnc Oppr Inv	Mutual Funds		95,659
	DE Extnd Dur Bd	Mutual Funds		15,845
	WFA Glbl Oppr	Mutual Funds		6,792

Attachment to 2013 Form 5500
Schedule H, line 4i - Schedule of Assets (Acquired or Disposed of Within Year)

Plan Name MAGNUM ENGINEERING AND CONTROLS 401(k) Plan **EIN:** 74-2953381
Plan Sponsor's Name MAGNUM ENGINEERING AND CONTROLS **PN:** 001

(a) Identity of issue, borrower, lessor, or similar party	**(b)** Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	**(c)** Cost of acquisitions	**(d)** Proceeds of dispositions
WFA Emrg Mkt Eq	Mutual Funds		10,301
FidAdv Levr Co Stk Inst	Mutual Funds		29,458
FidAdv Free 2025	Mutual Funds		299,811
FidAdv MdCap III	Mutual Funds		19
FidAdv RealEst A	Mutual Funds		7,867
Abrden Divrs Inc	Mutual Funds		135,468
Abrden Dynmc Alloc	Mutual Funds		4,318

Attachment to 2013 Form 5500
Schedule H, line 4i - Schedule of Assets (Acquired or Disposed of Within Year)

Plan Name MAGNUM ENGINEERING AND CONTROLS 401(k) Plan **EIN:** 74-2953381
Plan Sponsor's Name MAGNUM ENGINEERING AND CONTROLS **PN:** 001

(a) Identity of issue, borrower, lessor, or similar party	**(b)** Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	**(c)** Cost of acquisitions	**(d)** Proceeds of dispositions
NW Mny Mkt Inst	Mutual Funds		156,525
Harbor Intl Inst	Mutual Funds		9,299
Heartland Val Pls Inv	Mutual Funds		1,813
JPM US Eq Inst	Mutual Funds		19,118
JPM SmCap Eq A	Mutual Funds		1,370
MFS Divrs Inc A	Mutual Funds		373,891
MFS Intl Val A	Mutual Funds		42,027

Attachment to 2013 Form 5500
Schedule H, line 4i - Schedule of Assets (Acquired or Disposed of Within Year)

Plan Name MAGNUM ENGINEERING AND CONTROLS 401(k) Plan **EIN:** 74-2953381
Plan Sponsor's Name MAGNUM ENGINEERING AND CONTROLS **PN:** 001

(a) Identity of issue, borrower, lessor, or similar party	**(b)** Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	**(c)** Cost of acquisitions	**(d)** Proceeds of dispositions
NeuBer RealEst A	Mutual Funds		8,482
NW Dest 2015 Inst	Mutual Funds		167,140
NW Dest 2020 Inst	Mutual Funds		107,029
NW Dest 2030 Inst	Mutual Funds		223,269
NW Dest 2035 Inst	Mutual Funds		131,057
NW Dest 2040 Inst	Mutual Funds		137,145
NW Dest 2050	Mutual Funds		41,983

Attachment to 2013 Form 5500
Schedule H, line 4i - Schedule of Assets (Acquired or Disposed of Within Year)

Plan Name MAGNUM ENGINEERING AND CONTROLS 401(k) Plan **EIN:** 74-2953381
Plan Sponsor's Name MAGNUM ENGINEERING AND CONTROLS **PN:** 001

(a) Identity of issue, borrower, lessor, or similar party	**(b)** Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	**(c)** Cost of acquisitions	**(d)** Proceeds of dispositions
Prncpl MdCap Inst	Mutual Funds		69,593
PIMCO ComdtyRealRtnStra	Mutual Funds		1,360
Opp Devl Mkt A	Mutual Funds		125,199
Opp Intl Sm Co A	Mutual Funds		27,386
Prudntl Jnisn Natrl Rsrc A	Mutual Funds		44,081
TRowePr New Hrizns	Mutual Funds		236,430
PIMCO Low Dur Inst	Mutual Funds		10,592

Attachment to 2013 Form 5500
Schedule H, line 4i - Schedule of Assets (Acquired or Disposed of Within Year)

Plan Name MAGNUM ENGINEERING AND CONTROLS 401(k) Plan **EIN:** 74-2953381
Plan Sponsor's Name MAGNUM ENGINEERING AND CONTROLS **PN:** 001

(a) Identity of issue, borrower, lessor, or similar party	**(b)** Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	**(c)** Cost of acquisitions	**(d)** Proceeds of dispositions
PIMCO Ttl Rtn Inst	Mutual Funds		34,405
Parnassus Wrkplc	Mutual Funds		23,153
Prncpl Hi Yld Inst	Mutual Funds		5,852
AllBer SmCap Gr K	Mutual Funds		103,997
RS Tech A	Mutual Funds		3,024
RdgWrth Aggr Gr Stk I	Mutual Funds		38,198
RdgWrth SmCap Val Eq	Mutual Funds		7,235

Attachment to 2013 Form 5500
Schedule H, line 4i - Schedule of Assets (Acquired or Disposed of Within Year)

Plan Name MAGNUM ENGINEERING AND CONTROLS 401(k) Plan **EIN:** 74-2953381
Plan Sponsor's Name MAGNUM ENGINEERING AND CONTROLS **PN:** 001

(a) Identity of issue, borrower, lessor, or similar party	**(b)** Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	**(c)** Cost of acquisitions	**(d)** Proceeds of dispositions
WFA Gr A	Mutual Funds		299,674
RdgWrth MdCap Val Eq	Mutual Funds		39,123
Vngrd Divd Gr Inv	Mutual Funds		41,016
VanEck Intl Inv Gold A	Mutual Funds		2,474
Vngrd Wlngtn Inv	Mutual Funds		63,055
Vngrd Wlsly Inc Inv	Mutual Funds		47,503
Vic Estblshd Val A	Mutual Funds		54,903

Attachment to 2013 Form 5500
Schedule H, line 4i - Schedule of Assets (Acquired or Disposed of Within Year)

Plan Name MAGNUM ENGINEERING AND CONTROLS 401(k) Plan **EIN:** 74-2953381
Plan Sponsor's Name MAGNUM ENGINEERING AND CONTROLS **PN:** 001

(a) Identity of issue, borrower, lessor, or similar party	**(b)** Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	**(c)** Cost of acquisitions	**(d)** Proceeds of dispositions
Weitz Ptnrs III Oppr	Mutual Funds		7,508
WR Ivy Scnc Tech	Mutual Funds		8,727
Mgrs Ycktmn Focs Svc	Mutual Funds		73,653
Jns Ovrseas I	Mutual Funds		4,656
Participant Loans	Interest Rate 3.25% - 5.25%		82,099