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;
- [X] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
ASM AFFILIATES INC EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/2010

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

ASM AFFILIATES, INC

2034 CORTE DEL NOGAL
CARLSBAD, CA 92011-1410

2b Employer Identification Number (EIN)
95-3163341

2c Sponsor's telephone number
760-804-5757

2d Business code (see instructions)
541600

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.	12/15/2015	DAVID MAYES
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	12/15/2015	DAVID MAYES
	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**	161
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**	142
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	11
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	153
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	1
f	Total. Add lines **6d** and **6e**.	**6f**	154
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	146
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	5
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:
2I 2P 2Q

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)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**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	**B** Three-digit plan number (PN) ▶	
ASM AFFILIATES INC EMPLOYEE STOCK OWNERSHIP PLAN		002
C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number (EIN)	
ASM AFFILIATES, INC	95-3163341	

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)

(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 ☐

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

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
ASM AFFILIATES INC EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
ASM AFFILIATES, INC

D Employer Identification Number (EIN)
95-3163341

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)	514908	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	883	74348
(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)		
(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)		
(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)	1660001	1030345
(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	2175792	1104693
Liabilities			
g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	541908	11624
k Total liabilities (add all amounts in lines 1g through1j)	1k	541908	11624
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	1633884	1093069

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)	100000	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		100000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	143	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		143
(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	0	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	-629655	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		-629655

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		0
c Other income	2c		18500
d Total income. Add all **income** amounts in column (b) and enter total	2d		-511012
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	0	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		0
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		679
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	17500	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	11624	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		29124
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		29803
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-540815
l Transfers of assets:			
(1) To this plan	2l(1)		0
(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) [X] Unqualified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: GATTO POPE WALWICK, LLP **(2)** EIN: 33-0371564

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	0
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	0

			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	0
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	0
e	Was this plan covered by a fidelity bond?	4e	X		400000
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	0
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	0
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	0
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
ASM AFFILIATES INC EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
ASM AFFILIATES, INC

D Employer Identification Number (EIN)
95-3163341

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): _____ _____

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):

ASM AFFILIATES EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

YEAR ENDED DECEMBER 31, 2013

ASM AFFILIATES
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

Year Ended December 31, 2013

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INDEPENDENT AUDITOR'S REPORT

To the Participants and administrative committee of
ASM Affiliates Employee Stock Ownership Plan and Trust
Carlsbad, California

Report on the Financial Statements
We have audited the accompanying financial statements of ASM Affiliate Employee Stock Ownership Plan and Trust, which are comprised of the statements of net assets available for benefits as of December 31, 2013 and 2012, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013, and the related notes to the financial statements.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits is in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects the net assets available for benefits of the Plan as of December 31, 2013 and 2012, and the changes in net assets available for benefits of the Plan for the year ended December 31, 2013, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information
Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2013 and the schedule of reportable transactions for the year ended December 31, 2013 are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Gatto, Pope & Walwick, LLP

September 15, 2015

ASM AFFILIATES EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2013 and 2012

	2013			2012		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Assets						
Investment in ASM Affiliates common stock, at fair value	$ 1,030,345	$ -	$ 1,030,345	$ 1,097,105	$ 562,895	$ 1,660,000
Employer contribution receivable	-	-	-	-	500,001	500,001
Cash and cash equivalents	74,348	-	74,348	883	-	883
Total assets	1,104,693	-	1,104,693	1,097,988	1,062,896	2,160,884
Liabilities						
Accrued interest - related party	-	-	-	-	14,908	14,908
Notes payable - related party	-	-	-	-	527,000	527,000
Total liabilities	-	-	-	-	541,908	541,908
Net assets available for benefits	$ 1,104,693	$ -	$ 1,104,693	$ 1,097,988	$ 520,988	$ 1,618,976

The accompanying notes are an integral part of these financial statements.

ASM AFFILIATES EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year Ended December 31, 2013

	Allocated	Unallocated	Total
Additions to net assets			
Net unrealized appreciation in the fair value of investments	$ -	$ -	$ -
Interest	143	-	143
Employer contributions	90,821	42,586	133,407
Allocation of 97,051 shares of common stock of ASM Affiliates	535,350	-	535,350
Total additions	626,314	42,586	668,900
Deductions from net assets			
Net unrealized depreciation in the fair value of investments	602,111	27,545	629,656
Interest expense	-	679	679
Administration expenses	17,498	-	17,498
Allocation of 97,051 shares of common stock of ASM Affiliates	-	535,350	535,350
Total deductions	619,609	563,574	1,183,183
Net increase (decrease) in net assets	6,705	(520,988)	(514,283)
Net assets, beginning of year	1,097,988	520,988	1,618,976
Net assets, end of year	$ 1,104,693	$ -	$ 1,104,693

The accompanying notes are an integral part of these financial statements.

ASM AFFILIATES
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

December 31, 2013 and 2012

NOTE 1 – DESCRIPTION OF PLAN

The following brief description of the ASM Affiliates Employee Stock Ownership Plan and Trust (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for complete information.

General

ASM Affiliates, Inc. (the "Plan Sponsor" or "Company") established the Plan effective March 1, 2010. The Plan operates, in relevant part, as a leveraged employee stock ownership plan ("ESOP"), and is designed to comply with Section 4975(e) (7) and the regulations thereunder of the Internal Revenue Code ("IRC") and is subject to the applicable provisions of Employee Retirement Income Security Act of 1974 ("ERISA"). The plan is administered by an administrative committee appointed by the Plan Sponsor's board of directors. The Plan's trustees were Mark Becker, Sinead Ni Ghabhlain, Jerry Schaefer, and Sherri Andrews, ("the Trustees") for the year ended December 31, 2013. The Plan is required to have a fidelity bond; however, none was in place for the year ended December 31, 2012 or through April 3, 2013. The Plan obtained bond coverage which became effective starting April 3, 2013.

On December 31, 2012, the Plan purchased 86,207 shares of common stock of ASM Affiliates, Inc. by issuing a note payable to the majority shareholder of the Plan Sponsor for $500,000 (see Note 5). On March 29, 2011, the Plan purchased 200,000 shares of common stock of ASM Affiliates, Inc. by issuing a note payable to the majority shareholder of the Plan Sponsor for $652,000 (see Note 5). The notes are guaranteed by the Company, and the common stock is held in a trust established under the Plan. The notes are to be repaid by fully deductible Company contributions to the Plan. As the Company makes contributions to the Plan and pays down the notes payable, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the IRC. Shares vest according to the vesting schedule in the Plan document.

The notes are collateralized by the unallocated shares of common stock. The note holder has no rights against the shares of common stock once they are allocated under the Plan. Accordingly, the financial statements of the Plan as of December 31, 2013 and 2012, and for the year ended December 31, 2013, present separately the assets and liabilities and changes therein pertaining to (a) the accounts of employees with vested rights in allocated common stock (allocated) and (b) common stock not yet allocated to employees (unallocated).

NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)

Eligibility

An eligible employee will become a participant in the Plan as of the earliest entry date as of which he or she has attained age 21 and has completed both a 12 consecutive month period of employment and not less than 1,000 hours of service beginning on his or her employment commencement date and ending prior to said entry date. The entry dates are January 1 or July 1. As of the end of each plan year, the Employer's contribution for the plan year shall be allocated to the employer contribution accounts of participants who completed a year of service during the plan year and who either are employees at such Plan year end or retired on or after attaining either normal retirement age, died or incurred disability during such Plan year according to the ratio that each eligible participant's compensation for the plan year bears to the aggregate compensation of all eligible participants for the Plan year.

Contributions

Company contributions are determined at the discretion of the Board of Directors of the Company. Contributions by participating employees are not permitted. At the Company's discretion, contributions can be used to repay debt of the Plan or be allocated to participants. For the Plan years ended December 31, 2013, Company contributions received were used primarily to pay debt service costs of the Plan.

Participant Accounts

The Plan is a noncontributory defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited with an allocation of shares of the Company's common stock released by the Trustees from the unallocated account and forfeitures of terminated participants' nonvested accounts. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation. Allocations are based on participant's eligible compensation, relative to the total eligible compensation.

NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)

Payment of Benefits

On termination of service, death, disability or retirement, a participant (or participant's beneficiary in the event of death) may elect to receive a lump-sum distribution equal to the participant's vested account balance or annual installments over any period not exceeding 5 years. For terminated participants' account balances that are less than $5,000, the Plan administrator may distribute the entire amount in a lump sum without the participant's consent if they do not receive distribution instructions from the participant or. For terminated participant account balances between $1,000 and $5,000 the Plan Administrator may automatically rollover the balance into an individual retirement account if they do not receive distribution instructions from the participant. For terminated participants' account balances that are less than $1,000, the Plan administrator may distribute the entire amount in a lump sum without the participant's consent. Vested account balances will be paid as directed by the ESOP Committee in shares of company stock, cash, or a combination of both.

Under the provisions of the Plan, the Company is obligated to repurchase participant shares that have been distributed under the terms of the Plan as long as the shares are not publicly traded or if the shares are subject to trading limitations. During the year ended December 31, 2013, the Company did not repurchase any shares from participants.

Voting Rights

Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustees prior to the time that such rights are to be exercised, except with respect to the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution or sale of substantially all assets of the Company. The Trustees are not permitted to vote any allocated shares for which instructions have not been given by a participant. The Trustees are required, however, to vote any unallocated shares on behalf of the collective best interest of the plan participants and beneficiaries.

Plan Termination

Although it has not expressed any intent to do so, the Company reserves the right to terminate the Plan at any time, subject to plan provisions and provisions of ERISA. In the event of Plan termination, participants would become fully vested. Upon such termination of the plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the plan terms and the IRC. Upon termination of the plan, the Committee should direct the Trustees to pay all liabilities and expenses of the trust fund and to distribute the remaining benefits to the participants.

NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)

Vesting

If a participant's employment with the Company ends for any reason other than retirement, permanent disability or death, he or she will vest in the balances in his or her account based on total years of service with the Company. Employer contributions vest as follows:

Years of Service	% Vesting
Less than 2 years	0%
2 years, but less than 3	20%
3 years, but less than 4	40%
4 years, but less than 5	60%
5 years, but less than 6	80%
6 years or more	100%

For vesting purposes, a year of service is defined as a Plan year in which employee completes at least 1,000 hours of service.

Put Option

If a participant receives a distribution of Company common stock, the Company shall provide a put option to the participant. Pursuant to this option, the participants shall have the right to sell the stock to the Company, at any time during two option periods, at a price equal to the fair market value of the common stock as of the most recent valuation date preceding the option period. The first put option shall be for 60 days beginning on the date of distribution of the common stock. The second put option shall be an additional 60 day period beginning after the new determination of fair market value in the following plan year (and notice to the participant thereof). After the lapse of such designated time periods, the Company retains the right of first refusal over the sale of the distributed shares. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Participant Accounts and Forfeitures

Employer contributions and plan forfeitures are allocated to each participant's account based upon the relation of the eligible participant's compensation to total eligible compensation for the plan year. There were forfeitures of terminated nonvested account balances available to be allocated to remaining participants at December 31, 2013 and 2012 totaling 8,038 shares and 2,182 shares, respectively. Plan forfeitures are allocated to each participant's account based on participant's eligible compensation, relative to the total eligible compensation.

NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)

Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company common stock into investments, which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a 6-year period. In each of the first 5 years, a participant may diversify up to 25 percent of the number of post-1986 shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50 percent. Participants who elect to diversify receive a distribution.

NOTE 2 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results may differ from those estimates. Significant estimates consist of the fair value of the Plan's investment in the Company's common stock.

Investment Valuation and Income Recognition

The shares of Company common stock are reported at estimated fair value. Fair value is determined by an annual independent appraisal using level 3 inputs. Interest income is recorded when earned. Purchases and sales of stock are recorded on a trade-date basis. See Note 7 for additional discussion of fair value measurements.

Payment of Benefits

Benefits are recorded when paid. The amount allocated to accounts of persons who have elected to withdraw from the plan but have not yet been paid as of December 31, 2013 is $11,624.

NOTE 2 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Standards Codification
The Financial Accounting Standards Board's (FASB) Accounting Standards Codification ™ (Codification) is the official source of authoritative, nongovernmental accounting principles generally accepted in the United States of America. The Codification is organized by overall topic which is at times referenced in the accompanying notes to the financial statements.

Administrative Expenses
All expenses incident to the administration, termination or protection of the Plan, including, but not limited to, legal, accounting and Trustee fees, shall be paid by the Company or, if not paid by the Company, shall be paid by the Plan. Most of the administrative expenses of the Plan were paid by the Company during the year ended December 31, 2013. In addition, the Company provides administrative services to the Plan at no cost to the Plan.

Subsequent Events
The Plan has evaluated subsequent events through September 15, 2015, which is the date these financial statements were available to be issued. All subsequent events requiring recognition or disclosure have been incorporated into these financial statements.

NOTE 3 – TAX STATUS

The Plan obtained a letter from the Plan's legal counsel stating that the Plan is qualified and the trust established under the Plan is tax-exempt, under the appropriate sections of the Internal Revenue Code (IRC). The Plan's counsel believes the Plan is designed and being operated in compliance with the applicable requirements of the IRC, however a determination letter from the IRS has not yet been obtained.

In accordance with the "income tax" topic of the Codification, Plan management is required to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service ("IRS"). Management has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2013 and 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by tax jurisdictions; however, there are currently no audits for any tax periods in progress. The plan is currently subject to income tax examinations for 2011 - 2013.

NOTE 4 – ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consist principally of the Plan Sponsor's common stock, are held by the Trustees of the Plan.

Company contributions are held and managed by the Trustees of the Plan, whom invest cash received, including interest and dividend income and make distributions to participants. The Trustees also administers the payment of interest and principal on the notes payable, and pay Plan expenses.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses for the Trustee's fees are paid directly by the Company.

NOTE 5 – NOTES PAYABLE – RELATED PARTY

On December 31, 2012 and March 29, 2011, the Plan executed a $500,000 and $652,000, respectively, note payable agreement with the majority stockholder of the Company for the purchase of common shares of the Company. Unallocated shares are collateral for the notes. The notes bear interest at 5% per annum and were payable in installments. The remaining note balances was paid in full during the year ended December 31, 2013. The fair value of the notes payable as of December 31, 2012, was approximately $527,000. Interest incurred on the notes totaled $679 and $14,908 (included in accrued interest at December 31, 2012) for the year ended December 31, 2013 and 2012, respectively.

NOTE 6 – INVESTMENTS

The Plan's investments, at December 31, 2013 are as follows:

	Allocated	Unallocated	Total
ASM Affiliates, Inc. common stock:			
Number of shares	286,207	-	286,207
Cost	$ 1,152,000	$ -	$ 1,152,000
Fair market value	$ 1,030,345	$ -	$ 1,030,345
Cash and cash equivalents			
Cost	$ 74,348	$ -	$ 74,348
Fair market value	$ 74,348	$ -	$ 74,348

The Plan's investments, at December 31, 2012 are as follows:

	Allocated	Unallocated	Total
ASM Affiliates, Inc. common stock:			
Number of shares	189,156	97,051	286,207
Cost	$ 616,649	$ 535,351	$ 1,152,000
Fair market value	$ 1,097,105	$ 562,895	$ 1,660,000
Cash and cash equivalents			
Cost	$ 883	$ -	$ 883
Fair market value	$ 883	$ -	$ 883

NOTE 7 – FAIR VALUE MEASUREMENTS

The *"Fair Value Measurements"* topic of the Codification 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 the *Fair Value* Measurements topic of the Codification 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 Inputs 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.

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

The fair value of the Company's common stock held by the Plan is valued based upon an independent appraisal using generally accepted valuation approaches which include primarily level 3 inputs. There is limited or no observable market data for the prices of the Company's common stock.

NOTE 7 – FAIR VALUE MEASUREMENTS (CONTINUED)

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2013:

	Level 3
ASM Affiliates, Inc. common stock	$ 1,030,045

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

	Level 3
ASM Affiliates, Inc. common stock	$ 1,660,000

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2013:

	ASM Affiliates, Inc. Common Stock
Balance, beginning of year	$ 1,660,000
Shares purchased by the Plan	-
Unrealized loss in fair value	(629,955)
Balance, end of year	$ 1,030,045

Gains and losses (realized and unrealized) included in changes in net assets for the year ended December 31, 2013 are reported in net depreciation in fair value of investments in the statement of changes in net assets available for benefits.

NOTE 8 – RISKS AND UNCERTAINTIES

The Plan invests in common stock of the Company. The Company's common stock is exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with the common stock, it is at least reasonably possible that changes in the value 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. The value of the Company's common stock decreased significantly during the year ended December 31, 2013.

NOTE 9 – PARTY-IN-INTEREST TRANSACTIONS

The Plan invests in common stock of the Company and had indebtedness to the Company's majority stockholder (Note 5). Employees of the Company are also part of the administrative committee of the Plan (Note 4).

NOTE 10 – RECONCILATION OF THE FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of the net assets available for benefits per the financial statements for the year ended December 31, 2013 to Form 5500:

Net assets available for benefits per the financial statements	$	1,104,693
Less: accrued benefits payable	(	11,624)
Net assets available for benefits per the Form 5500	$	1,093,069

The following is a reconciliation of the changes in net assets available for benefits per the financial statements for the year ended December 31, 2013 to Form 5500:

Changes in net assets available for benefits per the financial statements	$	514,283
Add: interest expense		14,908
Add: distributions for withdrawing participants		11,624
Changes in net assets available for benefits per the Form 5500	$	540,815

SUPPLEMENTAL INFORMATION

ASM AFFILIATES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

ID# 95-3163341 – PLAN #002

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2013

(a) Party in Interest	(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
*	Investment in ASM Affiliates, Inc.	286,207 shares of Common Stock	$ 1,152,000	$ 1,030,345
	Bank of America	Cash	$ 74,348	$ 74,348

* Represents a party-in-interest to the Plan.

See independent auditor's report.

GATTO, POPE & WALWICK, LLP

CERTIFIED PUBLIC ACCOUNTANTS
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DANIELLE L. SIMMS, CPA

June 10, 2014

Board of Trustees
ASM Affiliates Employee Stock Ownership Plan and Trust
2034 Corte Del Nogal
Carlsbad, CA 92011

Dear Board of Trustees:

The Objective and Scope of the Audit

We are pleased to confirm our understanding of the services we are to provide for ASM Affiliates Employee Stock Ownership Plan and Trust for the year ended December 31, 2013 in connection with its annual reporting obligation under the Employee Retirement Income Security Act of 1974 (ERISA).

We will audit the financial statements of ASM Affiliates Employee Stock Ownership Plan and Trust, which comprise the statement of net assets available for benefits as of December 31, 2013 and the related statement of changes in net assets available for plan benefits for the year then ended, and the related notes to the financial statements. Also, the following supplemental information accompanying the financial statements, as applicable, will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America, and our auditor's report will provide an opinion on it in relation to the financial statements as a whole:

1. Assets (Held at End of Year) and Assets (Acquired and Disposed of Within Year).
2. Loans or Fixed Income Obligations in Default or Classified as Uncollectible.
3. Leases in Default or Classified as Uncollectible.
4. Reportable Transactions.
5. Nonexempt Transactions.
6. Delinquent Participant Contributions.

These financial statements and supplemental schedules are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA to be filed with Form 5500.

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles, and whether the supplemental schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole and in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

The Responsibilities of the Auditor

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of investments and certain other assets and liabilities by correspondence with financial institutions, and other third parties. We may request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluation the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations, including prohibited transactions with parties in interest or other violations of ERISA rules and regulations, that are attributable to the plan or to acts by management or employees acting on behalf of the plan.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential and will include prohibited transactions in the supplemental schedule of nonexempt transactions as required by the instructions to Form 5500. Our responsibility as auditor is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the plan and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

In addition, we will perform certain procedures directed at considering the Plan's compliance with applicable Internal Revenue Service (IRS) requirements for tax-exempt status and ERISA plan qualification requirements. However, you should understand that our audit is not specifically designed for and should not be relied upon to disclose matters affecting plan qualifications or compliance with the ERISA and IRS requirements. If during the audit we become aware of any instances of any such matters or ways in which management practices can be improved, we will communicate them to you.

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting policies; for establishing an accounting and financial reporting process for determining fair value measurements; for the acceptance of the actuarial methods and assumptions used by the actuary; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. You are responsible for making all financial records and related information available to us and for the accuracy and completeness of that information, including the completeness and accuracy of the certification by the trustee. You are also responsible for providing us with access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements; additional information that we may request for the purpose of the audit; and unrestricted access to persons within the plan from whom we determine it necessary to obtain audit evidence.

You are responsible for adjusting the financial statements to correct material misstatements and confirming to us in the written management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the plan involving (a) plan management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the plan received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the plan complies with applicable laws and regulations. You are responsible for preparing the supplementary information in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

Other Relevant Information
We understand that your personnel will prepare schedules and analyses and all confirmations we request and will locate any invoices or other documents selected by us for testing. We also understand that Principal Financial Group will prepare the Form 5500 and related schedules and discrimination testing for the year ended December 31, 2013.

The audit documentation for this engagement is the property of Gatto, Pope, & Walwick, LLP and constitute confidential information. However, we may be requested to make certain audit documentation available to the U. S. Department of Labor pursuant to authority given to it by law. If requested, access to such audit documentation will be provided under the supervision of Gatto, Pope, & Walwick, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the U. S. Department of Labor. The U. S. Department of Labor may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Charlie Pope, CPA is the engagement partner and responsible for the audit services specified in this letter. His responsibilities include supervising Gatto, Pope & Walwick, LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. As you have instructed, our engagement does not include preparation of the Plan's Form 5500.

The AICPA's Audit and Accounting Guide, *Employee Benefit Plans*, requires that, before an auditor's report on the Plan's financial statements can be included with a filed Form 5500 (including any related schedules), the auditor must review the Form 5500 and consider whether there are any material inconsistencies between the other information in the form and the audited financial statements (included the required supplemental schedules) or any material misstatement of fact. We will, therefore, not issue our auditor's report until the completed Form 5500 has been provided for our review.

Our fees for the audit will be billed at our standard hourly rates that vary according to the personnel assigned. Our invoices for these fees will be rendered each month as work progresses and are payable on terms of net 60 days. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Any dispute between you and us regarding our fees, costs, charges or services shall be submitted to binding arbitration before the American Arbitration Association in San Diego, California in accordance with its Commercial Rules in effect at the time the arbitration is initiated. By signing this letter you and Gatto, Pope, & Walwick, LLP agree to arbitration and waive the right to appeal and to a court or jury trial. In the event of any arbitration, mediation or litigation relating to, arising from, or to enforce or interpret this letter agreement, the prevailing party shall be entitled to recover from the unsuccessful party in such proceedings all costs, expenses and actual attorneys' and expert witness fees incurred (whether or not such proceedings result in an award or judgment); and any award or judgment in such proceedings shall contain a specific provision for the recovery by the prevailing party of any costs, expenses, and actual attorneys' and expert witness fees included in any post-award or post-judgment proceedings.

It is our policy to keep records related to this engagement for seven years. However, we do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies. By your signature below, you acknowledge and agree that upon the expiration of the seven year period we shall be free to destroy our records related to this engagement.

No change, waiver or modification of any of the provisions of this letter agreement shall be in effect unless in writing and signed by our firm. This letter contains our entire agreement concerning the services in which we will be performing and our compensation for such services and costs. We have made no representations or promises other than those expressly set forth in this letter agreement.

We appreciate the opportunity to be of service to ASM Affiliates Employee Stock Ownership Plan and Trust and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Gatto, Pope & Walwick, LLP

Gatto, Pope, & Walwick, LLP
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of ASM Affiliates Employee Stock Ownership Plan and Trust.

Signature

June 16, 2014
Date