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 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

2016

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
MOTIVATIONAL SYSTEM, INC. 401(K) RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 07/26/1993

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
MOTIVATIONAL SYSTEMS, INC.

2200 CLEVELAND AVENUE
NATIONAL CITY, CA 91950

2b Employer Identification Number (EIN) 95-3003017

2c Plan Sponsor's telephone number 619-474-8246

2d Business code (see instructions) 339900

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2017	JOSEPH J JORDAN
	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)

Preparer's telephone number

3a Plan administrator's name and address [X] Same as Plan Sponsor	**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:	**4b** EIN	
a Sponsor's name	**4c** PN	

5 Total number of participants at the beginning of the plan year	**5**	192
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1) Total number of active participants at the beginning of the plan year	**6a(1)**	151
a(2) Total number of active participants at the end of the plan year	**6a(2)**	137
b Retired or separated participants receiving benefits	**6b**	2
c Other retired or separated participants entitled to future benefits	**6c**	38
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	177
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f Total. Add lines **6d** and **6e**.	**6f**	177
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	103
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	17
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 2F 2G 2J 2K 2T 3B 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)		**9b** Plan benefit arrangement (check all that apply)	
(1)	[ ] Insurance	**(1)**	[ ] Insurance
(2)	[ ] Code section 412(e)(3) insurance contracts	**(2)**	[ ] Code section 412(e)(3) insurance contracts
(3)	[X] Trust	**(3)**	[X] Trust
(4)	[ ] General assets of the sponsor	**(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)** [ ] 0 **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

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.**	**2016** **This Form is Open to Public Inspection.**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan	**B** Three-digit plan number (PN) ▶	
MOTIVATIONAL SYSTEM, INC. 401(K) RETIREMENT PLAN		001
C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number (EIN)	
MOTIVATIONAL SYSTEMS, INC.	95-3003017	

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).. . . . . [X] 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

CAPITAL RESEARCH & MANAGEMENT CO.

95-1411037

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

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

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

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

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

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

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

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

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

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

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

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

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

CAPITAL RESEARCH & MANAGEMENT CO.

95-1411037

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 52 60 62 25 49 72 37	RECORDKEEPER	400	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] 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

(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

(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)

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

2016

This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan
MOTIVATIONAL SYSTEM, INC. 401(K) RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
95-3003017

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	381460	137161
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	68854	124369
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	5115056	5540722
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	0	0
	(2) Employer real property	1d(2)	0	0
e	Buildings and other property used in plan operation	1e	0	0
f	Total assets (add all amounts in lines 1a through 1e)	1f	5565370	5802252
	Liabilities			
g	Benefit claims payable	1g	0	0
h	Operating payables	1h		
i	Acquisition indebtedness	1i	0	0
j	Other liabilities	1j	0	0
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	5565370	5802252

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)	0	
	(B) Participants	2a(1)(B)	182874	
	(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)		182874
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
	(B) U.S. Government securities	2b(1)(B)	0	
	(C) Corporate debt instruments	2b(1)(C)	0	
	(D) Loans (other than to participants)	2b(1)(D)	0	
	(E) Participant loans	2b(1)(E)	4304	
	(F) Other	2b(1)(F)	0	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		4304
	(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)	199803	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		199803
	(3) Rents	2b(3)		0
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)	0	
	(B) Other	2b(5)(B)	0	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		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)		269252
c Other income	2c		9987
d Total income. Add all **income** amounts in column (b) and enter total	2d		666220
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	425367	
(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)		425367
f Corrective distributions (see instructions)	2f		2845
g Certain deemed distributions of participant loans (see instructions)	2g		726
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	400	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		400
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		429338
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		236882
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: 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		8002
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		1000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	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		X	
o	Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year_____. (See instructions.)

Part V Trust Information

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

6c Name of trustee or custodian	**6d** Trustee's or custodian's telephone number

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 sections 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

2016

This Form is Open to Public Inspection.

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan
MOTIVATIONAL SYSTEM, INC. 401(K) RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

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

D Employer Identification Number (EIN)
95-3003017

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): 20-3691658

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):

Part VII IRS Compliance Questions

20a Is the plan a 401(k) plan? If "No," skip b	☐ Yes ☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No

22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter _____/_____/_____ and the serial number _____.

22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter _____/_____/_____.

MOTIVATIONAL SYSTEMS, INC.
401(K) RETIREMENT PLAN

FINANCIAL REPORT

DECEMBER 31, 2009 AND 2008

MOTIVATIONAL SYSTEMS, INC.
401(K) RETIREMENT PLAN

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Net Assets Available for Benefits	2
Statements of Changes in Net Assets Available for Benefits	3
Notes to the Financial Statements	4-10
SUPPLEMENTARY INFORMATION	
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)	11
Schedule H, Line 4a – Schedule of Delinquent Participant Transactions	12

All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted because of the absence of conditions under which they are required.

5355 Mira Sorrento Place Suite 700 San Diego, CA 92121-3825
Phone (858) 587-1000 Fax (858) 587-0212

Partners David R. Brezzini CPA
Daniel P. Schreiber CPA
William T. Bottum CPA

JGD & *Associates* LLP
CERTIFIED PUBLIC ACCOUNTANTS

www.JGDnet.com

INDEPENDENT AUDITOR'S REPORT

To the Trustees of
Motivational Systems, Inc. 401(K) Retirement Plan
National City, California

We were engaged to audit the financial statements of the Motivational Systems, Inc. 401(K) Retirement Plan as of December 31, 2009 and 2008 and for the years then ended, and the supplemental schedules as of December 31, 2009 as listed in the accompanying Table of Contents. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by 29 CFR Section 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 Capital Bank and Trust Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements and 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 certifications from the custodian as of and for the years ended December 31, 2009 and 2008 that the information provided to the plan administrator by the custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to express, and do not express, an opinion on the accompanying financial statements and schedules taken as a whole. The form and content of the information included in the financial statements and 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.

The accompanying financial statements and schedules have been prepared assuming that the Plan will continue as a going concern. As discussed in Note 1, Motivational Systems, Inc.'s (the Company) compiled financial statements as of and for the year ended December 31, 2009 contains a going concern footnote. This factor raises substantial doubt about the Company's ability to continue as a going concern and accordingly, the Plan's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

JGD & Associates LLP

September 29, 2010
San Diego, California

Members of Enterprise Network Worldwide, an Alliance of Independent & International Accounting Firms
Members of American Institute of Certified Public Accountants
Members of California Society of Certified Public Accountants

Motivational Systems, Inc. 401(K) Retirement Plan
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2009 and 2008

	2009	2008
ASSETS		
INVESTMENTS, AT FAIR VALUE (Notes 2, 3, 4, 5 and 6)	$ 5,165,030	$ 5,123,748
Total assets	5,165,030	5,123,748
NET ASSETS AVAILABLE FOR BENEFITS	$ 5,165,030	$ 5,123,748

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

Motivational Systems, Inc. 401(K) Retirement Plan
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Years ending December 31, 2009 and 2008

	2009	2008
ADDITIONS TO (SUBTRACTIONS FROM) NET ASSETS ATTRIBUTED TO		
Investment income (loss) (Notes 2, 3 and 4)		
Net appreciation (depreciation) in fair value of investments	$ 1,056,757	$ (2,521,344)
Dividends	81,968	154,510
Interest	16,872	28,939
Net investment income (loss)	1,155,597	(2,337,895)
Contributions		
Employer's	0	19,059
Participants'	206,550	489,677
Participant rollovers	0	2,341
Total contributions	206,550	511,077
Total additions (substractions)	1,362,147	(1,826,818)
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Benefits paid to participants	1,318,865	566,249
Administrative expenses	2,000	8,500
Total deductions	1,320,865	574,749
Net increase (decrease)	41,282	(2,401,567)
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	5,123,748	7,525,315
End of year	$ 5,165,030	$ 5,123,748

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

NOTE 1--DESCRIPTION OF PLAN

The following description of the Motivational Systems, Inc. 401(K) Retirement Plan (the 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 which was adopted on July 26, 1993, is a defined contribution plan covering substantially all employees of Motivational Systems, Inc. (the Company). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions : Participant salary reduction contributions: Participants may contribute up to 100% of pretax annual compensation, as defined by the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Such contributions are 100% vested and non-forfeitable. Participant contributions are subject to certain limitations.

Employer matching contributions: The Company may make a matching contribution equal to a discretionary percentage of a participant's salary deferrals, which the Company will determine each year. The Company made matching contributions from January 1, 2008 until May 1, 2008 of 10% per pay period. After May 1, 2008, the Company no longer made matching contributions to the Plan.

Employer profit-sharing contributions: The Company may make a profit-sharing contribution to the Plan. The contributions would be allocated to only the accounts of non-highly compensated participants in the same ratio as a participant's compensation bears to total compensation of all non-highly compensated participants. These contributions will be fully vested. Participants must be employed on the last day of the Plan year and be credited with 1,000 hours of service in order to be eligible for the non-elective contribution. The Company has not made profit-sharing contributions for the years ended December 31, 2009 and 2008.

Participant rollover contributions: The Plan allows participants to make rollover contributions from a qualified plan. Such contributions are 100% vested and non-forfeitable.

Eligibility to participate : Employees who have reached age twenty-one and completed three months of service with at least 250 hours of service are eligible to participate in the Plan as of the next succeeding entry date (January 1 or July 1).

Forfeitures : At December 31, 2009 and 2008, forfeited non-vested accounts totaled $17,348 and $16,126. These accounts will be used to reduce administrative expenses. During the years ended December 31, 2009 and 2008, forfeitures used to reduce administrative expenses were $2,000 and $8,500.

NOTE 1--DESCRIPTION OF PLAN (Continued)

Participant accounts : All investments are directed by plan participants. Upon enrollment in the Plan, a participant directs contributions in any of the available investment options. Individual accounts are maintained for each plan participant. Each participant's account is credited with the participant's salary reduction and rollover contributions, employer matching contributions and an allocation of the employer's profit-sharing contribution and plan earnings and charged with an allocation of administrative expenses. Allocations are based on account balances, as defined by the Plan. The benefit to which a participant is entitled is the amount that can be provided from the participant's vested account.

Payment of benefits : A participant's vested account balance becomes distributable upon termination of service due to disability, retirement or death. Upon severance of employment for other than disability, retirement or death, benefits are paid to employees based on the amount allocated to their account multiplied by the vesting percentage at the time of termination. The participant will be paid in a lump sum. Participants may defer receiving these benefits until their normal retirement age if their vested account balance exceeds $5,000.

Participants may also elect to withdraw in cash certain vested amounts within the deferred contribution account to the extent necessary to meet a financial hardship, in accordance with the regulations and rulings of the Internal Revenue Code. After a withdrawal, a stipulated period of time must lapse, as defined by the Plan, before a participant can make additional deferred contributions.

Vesting : Participants are immediately vested in their rollover contributions, participant salary reduction contributions and employer profit-sharing contributions plus actual earnings thereon. Vesting in the remainder of their accounts (employer matching contributions) is based on years of continuous service. Accrued benefits vest as follows:

Years of Service	Vested Interest
Less than 1	0%
1	10%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

For vesting purposes, a year of service is defined as a plan year in which an employee must complete at least 1,000 hours of service.

Participants become fully vested upon termination for reason of retirement, death or disability, or if the Plan is terminated. Non-vested benefits are forfeited by participants upon termination for reasons other than normal retirement, death or disability.

NOTE 2--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting	:	The financial statements of the Plan are presented on the accrual basis of accounting.
Administrative expenses	:	Certain cost of administrative, accounting, legal and audit services of the Plan are paid by, and at the discretion of, the Company.
Date of management's review	:	Subsequent events were evaluated through September 29, 2010, which is the date the financial statements were available to be issued.
Estimates	:	The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.
Investment valuation and income recognition	:	Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the plan's gains and losses on investments bought and sold as well as held during the year.
Payment of benefits	:	Benefits are recorded when paid.

NOTE 3--CERTIFIED INVESTMENT INFORMATION

The following is a summary of the investment information regarding the Plan, included in the Plan's financial statements and supplemental schedules, that was prepared by or derived from information prepared by Capital Bank and Trust Company, the custodian of the Plan, and furnished to the plan administrator. The plan administrator has obtained certifications from the custodian that the information is complete and accurate as of December 31, 2009 and 2008. Investment information is summarized as follows:

	2009	2008
Investments, at fair value	$ 5,165,030	$ 5,123,748

Changes in net assets certified by the custodian and not audited for the years ended December 31, 2009 and 2008, include the following:

	2009	2008
Net appreciation (depreciation) in fair value of investments	$ 1,056,757	$ (2,521,344)
Dividends	81,968	154,510
Interest	16,872	28,939
Administrative expenses	(2,000)	(8,500)

NOTE 4--INVESTMENTS

The Plan's investments are held in a trust fund. Investments that represent 5% or more of the Plan's net assets as of December 31, in either year, are separately identified below:

	2009	2008
Investments at Fair Value as Determined by Quoted Market Price		
Money Market		
American Funds Cash Management Trust	$ 0	$ 492,545
Mutual Funds		
American Funds Euro Pacific Growth Fund	907,976	814,725
American Funds Fundamental Investors Fund	344,089	274,185
American Funds Growth Fund of America	1,203,260	1,217,122
American Funds High Income Fund	356,680	306,837
American Funds Investment Company of America Fund	755,240	767,380
American Funds Money Market Fund	384,198	0
Other mutual funds	964,777	863,204
Total investments, at fair value	4,916,220	4,735,998
Participant Loans	248,810	387,750
Total investments, at fair value	$ 5,165,030	$ 5,123,748

During the years ended December 31, 2009 and 2008 the Plan's investments (including investments bought, sold and held during each year) appreciated (depreciated) in fair value by $1,056,757 and $(2,521,344) as follows:

	2009	2008
Investments at Fair Value as Determined by Quoted Market Price		
Mutual Funds	$ 1,056,757	$ (2,521,344)
Net change in fair value	$ 1,056,757	$ (2,521,344)

NOTE 5--FAIR VALUE MEASUREMENTS

The fair value measurement accounting literature 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 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 three levels of the fair value hierarchy under the fair value measurement accounting literature and a description of the valuation methodologies used for assets measured at fair value are described below:

NOTE 5--FAIR VALUE MEASUREMENTS (Continued)

Level 1 Fair Value Measurements

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.

Mutual funds are valued at the quoted net asset value of the shares held by the Plan at year-end.

Level 2 Fair Value Measurements

Inputs to the valuation methodology include (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in inactive markets, (c) inputs other than quoted prices that are observable for the assets or liabilities or (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the assets or liabilities have a specified (contractual) term, the level 2 input must be observable for substantially the full term of the assets or liabilities.

Level 3 Fair Value Measurements

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

Participant loans are valued at the amortized cost of the loans because the loans are secured by each respective participant's account balance.

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, while plan management 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, 2009:

		Fair Value Measurement Using:		
	Fair Value	Level 1	Level 2	Level 3
Mutual funds	$ 4,916,220	$ 4,916,220	$ 0	$ 0
Money market funds	0	0	0	0
Participant loans	248,810	0	0	248,810
Total	$ 5,165,030	$ 4,916,220	$ 0	$ 248,810

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2008:

		Fair Value Measurement Using:		
	Fair Value	Level 1	Level 2	Level 3
Mutual funds	$ 4,227,327	$ 4,227,327	$ 0	$ 0
Money market funds	508,671	508,671	0	0
Participant loans	387,750	0	0	387,750
Total	$ 5,123,748	$ 4,735,998	$ 0	$ 387,750

NOTE 5--FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth a summary of changes in fair value of the Plan's level 3 assets for the year ended December 31, 2009:

	Participant Loans
Balance at December 31, 2008	$ 387,750
Realized gains (losses)	0
Unrealized gains (losses)	0
Purchases, sales, issuances and settlements (net)	(138,940)
Balance at December 31, 2009	$ 248,810

The following table sets forth a summary of changes in fair value of the Plan's level 3 assets for the year ended December 31, 2008:

	Participant Loans
Balance at December 31, 2007	$ 295,289
Realized gains (losses)	0
Unrealized gains (losses)	0
Purchases, sales, issuances and settlements (net)	92,461
Balance at December 31, 2008	$ 387,750

NOTE 6--PARTICIPANT LOANS

The Plan permits participants to borrow funds from their accounts pursuant to limitations applied by ERISA. Generally, under these provisions, a participant may borrow, subject to the approval of the Plan's Administrative Committee, up to one-half of their vested account balance to a maximum of $50,000 less their largest outstanding note balance in the prior 12-month period. The loans are secured by the balance in the participant's account and bear interest at rates which approximate current market conditions. Principal and interest are paid ratably through payroll deductions.

At December 31, 2009 and 2008, all such notes receivable, which are administered and collected by the custodian, were current and reflected no defaults.

NOTE 7--PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts. See Note 12 for discussion on the partial plan termination.

NOTE 8--TAX STATUS

As of December 31, 2009, an IRS determination letter has not been obtained for the Plan instrument as adopted, but an IRS "prototype" opinion letter dated May 28, 2002 has been obtained by Capital Bank and Trust Company, the service provider, regarding the original plan document. Although the Plan has been amended since receiving the IRS "prototype" opinion letter, the plan administrator believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

NOTE 9--PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by American Funds Distributors, Inc. an affiliate of Capital Bank and Trust Company. These transactions qualify as party-in-interest transactions.

NOTE 10--RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain 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 statements of net assets available for benefits.

NOTE 11--RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following are reconciliations of net assets available for benefits per the financial statements to the Form 5500 and of changes in net assets available for benefits per the financial statements to the Form 5500:

	2009	2008
Net assets available for benefits per the financial statements	$ 5,165,030	$ 5,123,748
Excess contributions	0	0
Net assets available for benefits per the Form 5500	$ 5,165,030	$ 5,123,748
Change in net assets available for benefits per financial statements	$ 41,282	$ (2,401,567)
Excess contributions – current year	0	0
Excess contributions – prior year	0	(41,669)
Change in net assets available for benefits per Form 5500	$ 41,282	$ (2,443,236)

NOTE 12-- PARTIAL PLAN TERMINATION

In 2009, the Company had a series of layoffs that, in total, resulted in the termination of approximately 51% of its workforce. This reduction in workforce resulted in a partial plan termination for the 2009 plan year. All plan participants involved in this reduction in workforce became fully vested in their account balances. Affected employees are those that were terminated due to the event.

Participants who were less than 100% vested and received a distribution from the Plan during 2009, due to the partial plan termination, forfeited amounts totally approximately $3,000. These forfeitures have been restored to participant accounts as of October 1, 2010. Statements mailed subsequent to October 1, 2010 reflected the restored amounts.

NOTE 13--NONEXEMPT TRANSACTIONS

Participant contributions and loan repayments of $56,055 were withheld from participants' pay during the year ended December 31, 2009 and were not remitted to the Plan timely. Each remittance constituted a loan from the Plan to the Plan Sponsor. These late contributions were remitted to the Plan during 2009. Lost earnings on these contributions were determined to be immaterial and the Company remitted these lost earnings during 2010.

SUPPLEMENTARY INFORMATION

Motivational Systems, Inc. 401(K) Retirement Plan
(EIN # 95-3003017) (Plan #001)
Schedule H, Line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2009

(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
*	American Funds 2010 Target Date Fund	Mutual Fund	$	$ 11
*	American Funds 2015 Target Date Fund	Mutual Fund		354
*	American Funds 2020 Target Date Fund	Mutual Fund		11
*	American Funds 2025 Target Date Fund	Mutual Fund		11
*	American Funds 2030 Target Date Fund	Mutual Fund		38,989
*	American Funds 2035 Target Date Fund	Mutual Fund		614
*	American Funds 2040 Target Date Fund	Mutual Fund		7,067
*	American Funds 2045 Target Date Fund	Mutual Fund		10,941
*	American Funds 2050 Target Date Fund	Mutual Fund		2,970
*	American Funds Bond Fund	Mutual Fund		224,467
*	American Funds Euro Pacific Growth Fund	Mutual Fund		907,976
*	American Funds Fundamental Investors Fund	Mutual Fund		344,089
*	American Funds Growth Fund of America	Mutual Fund		1,203,260
*	American Funds High Income Fund	Mutual Fund		356,680
*	American Funds Income Fund	Mutual Fund		246,463
*	American Funds Investment Company of America Fund	Mutual Fund		755,240
*	American Funds Money Market Fund	Mutual Fund		384,198
	Mutual Beacon Fund	Mutual Fund		91,556
	Oppenheimer International Bond Fund	Mutual Fund		148,451
	Perkins Mid Cap Value Fund	Mutual Fund		192,872
*	Participant Loans	Interest rates range from 4.25% - 9.25%	0	248,810
	Total investments		$ 0	$ 5,165,030

* Indicates party-in-interest

In accordance with ERISA section 404(c), cost information is not required when reporting investments of an individual account plan that is participant or beneficiary directed.

Motivational Systems, Inc. 401(K) Retirement Plan
(EIN #95-3003017) (Plan #001)
Schedule H, Line 4a - SCHEDULE OF DELINQUENT PARTICIPANT TRANSACTIONS
Year ended December 31, 2009

Total that Constitute Nonexempt Prohibited Transactions

Participant Contributions Transferred Late To the Plan	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
$ 56,055 ✓	$ 0	$ 0	$ 0	$ 56,055

✓ Includes late participant loan repayments

* See Note 13

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

Name of Plan: Motivational System, Inc. 401(k) Retirement Plan

Employer Identification No.: ► 95-3003017
Plan year (beginning/ending):► 01/01/2016 - 12/31/2016 Plan number:► 341451-01

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	
x		8002		

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

Motivational Systems, Inc. 401(k) Retirement Plan
01-JAN-16 to 31-DEC-16

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
1RERCX			538,409.31	647,926.43
1RGACX			1,027,192.87	1,292,997.12
1RSLCX			188.78	189.09
1ODVNX			161,651.65	163,756.83
1GETGX			414,709.06	421,083.00
1RMFCX			970.20	967.16
1RWICX			28,702.90	28,564.22
1RFNCX			291,776.28	405,813.94
1RICCX			791,168.49	946,213.82
1JDURX			111,114.40	94,879.04
1RIDCX			465,331.99	516,229.19
1RITCX			180,119.41	175,685.32
1LDLRX			28,562.29	27,303.77
1PRRRX			178,860.88	178,397.90
1PTRRX			95,062.40	88,327.93
1TP-GBR			435,967.34	413,516.95
1RACXX			133,054.50	133,054.50
1RCATX			3,301.31	3,228.47
1RCCTX			10,901.78	11,564.89
1RCDTX			37,201.17	37,363.91
1RCETX			1,224.29	1,223.76
1RCFTX			11,946.21	11,846.36
1RCKTX			5,686.33	5,582.91
1RCHTX			55,516.88	64,812.86
1RCITX			2,923.41	2,893.92
1RCMTX			360.22	353.29
			5,011,904.35	**5,673,776.58**
PARTICIPANT LOANS	VARIOUS	4.250-4.500	124,132.55	124,368.77
FORFEITURES			4,106.19	4,106.19

Attachment to Form 5500, Schedule H, Part 4, Item I
EIN # 953003017

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

Motivational Systems, Inc. 401(k) Retirement Plan
01-JAN-16 to 31-DEC-16

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE

LEGEND

INVESTMENT OPTION:

1RERCX	American Funds EuroPacific Gr R3	1RGACX	American Funds Growth Fund of Amer R3
1RSLCX	American Funds SMALLCAP World R3	1ODVNX	Oppenheimer Developing Markets R
1GETGX	Victory Sycamore Established Value R	1RMFCX	American Funds American Mutual Fund R3
1RWICX	American Funds Capital World G/I R3	1RFNCX	American Funds Fundamental Invs R3
1RICCX	American Funds Invest Co of America R3	1JDURX	Prudential Jennison Utility Fund R
1RIDCX	American Funds Inc Fund of Amer R3	1RITCX	American Funds American Hi Inc Tr R3
1LDLRX	Lord Abbett Short Duration Income R3	1PRRRX	PIMCO Real Return R
1PTRRX	PIMCO Total Return Fund - R	1TP-GBR	Templeton Global Bond Fund - R
1RACXX	American Funds US Govt Money Market R3	1RCATX	American Funds 2010 Trgt Date Retire R3
1RCCTX	American Funds 2020 Target Date Fund R3	1RCDTX	American Funds 2025 Target Date Fund R3
1RCETX	American Funds 2030 Target Date Fund R3	1RCFTX	American Funds 2035 Target Date Fund R3
1RCKTX	American Funds 2040 Target Date Fund R3	1RCHTX	American Funds 2045 Target Date Fund R3
1RCITX	American Funds 2050 Target Date Fund R3	1RCMTX	American Funds 2055 Target Date Fund R3

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