Swenson
CORPORATION

AIS
AGENT INFORMATION SOFTWARE

Annual Report

December 31, 2010 and 2009

Index

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REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
Agent Information Software, Inc.
Pomona, California

We have audited the accompanying consolidated balance sheets of Agent Information Software, Inc. and Subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Agent Information Software, Inc. and Subsidiaries as of December 31, 2010 and 2009, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Swenson Corporation
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March 28, 2011

Business Advisors
Certified Public Accountants
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AGENT INFORMATION SOFTWARE, INC.

Consolidated Balance Sheets

December 31, 2010 and 2009

ASSETS

	2010	2009
Current assets:		
Cash and cash equivalents	**$ 823,815**	$ 1,014,158
Accounts receivable, trade	**170,686**	164,828
Deferred income taxes, current	**145,000**	154,000
Other current assets	**224,515**	199,353
Total current assets	**1,364,016**	1,532,339
Software, net	**2,389,338**	2,384,536
Equipment, net	**285,568**	225,706
Total assets	**$ 4,038,922**	$ 4,142,581

LIABILITIES AND STOCKHOLDERS' EQUITY

	2010	2009
Current liabilities:		
Line of credit	**$ 60,000**	$ -
Accounts payable, trade	**68,807**	44,272
Deferred revenue	**1,299,435**	944,999
Accrued payroll and related liabilities	**309,306**	197,149
Other accrued liabilities	**87,748**	113,240
Total current liabilities	**1,825,296**	1,299,660
Deferred income taxes	**145,000**	154,000
Total liabilities	**1,970,296**	1,453,660
Commitment and contingencies	**-**	-
Stockholders' equity:		
Common stock, no par value, 12,000,000 shares authorized, 4,272,610 and 4,273,210 shares issued and outstanding, respectively	**3,260,481**	3,256,038
Accumulated other comprehensive loss	**-**	(61,524)
Accumulated deficit	**(1,191,855)**	(505,593)
Total stockholders' equity	**2,068,626**	2,688,921
Total liabilities and stockholders' equity	**$ 4,038,922**	$ 4,142,581

See accompanying notes to consolidated financial statements.

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AGENT INFORMATION SOFTWARE, INC.

Consolidated Statements of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Net sales	**$ 4,752,383**	$ 5,300,038
Costs and expenses:		
Cost of sales	**1,362,644**	1,305,711
Research and development	**445,150**	475,769
Sales, marketing, and customer service	**2,540,393**	2,362,128
General and administrative	**1,014,378**	1,054,495
Total costs and expenses	**5,362,565**	5,198,103
(Loss) income from operations	**(610,182)**	101,935
Other income (expense):		
Foreign currency adjustment	**(61,524)**	-
Other income, net	**444**	3,910
Total other (expense) income	**(61,080)**	3,910
(Loss) income before provision (benefit) for income taxes	**(671,262)**	105,845
Provision (benefit) for income taxes	**15,000**	(9,295)
Net (loss) income	**$ (686,262)**	$ 115,140
Earnings per share:		
Basic income per share	**$ (0.16)**	$ 0.03
Weighted average shares outstanding	**4,272,860**	4,273,210
Diluted income per share	**$ (0.14)**	$ 0.02
Weighted average shares outstanding	**4,838,093**	4,798,443

See accompanying notes to consolidated financial statements.

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AGENT INFORMATION SOFTWARE, INC.

Consolidated Statements of Changes in Stockholders' Equity

For the Years Ended December 31, 2010 and 2009

	Common Stock		Retained Earnings/ (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount			
Balance, December 31, 2008	4,273,210	$ 3,251,038	$ (620,733)	$ (99,830)	$ 2,530,475
Net income		-	115,140	-	115,140
Foreign currency translation		-	-	38,306	38,306
Comprehensive income					153,446
Common stock purchased	-	-	-	-	-
Stock option expense		5,000	-	-	5,000
Balance, December 31, 2009	4,273,210	3,256,038	(505,593)	(61,524)	2,688,921
Net loss		**-**	**(686,262)**	**-**	**(686,262)**
Foreign currency translation		**-**	**-**	**61,524**	**61,524**
Comprehensive income					**(624,738)**
Common stock purchased	**(600)**	**(339)**	**-**	**-**	**(339)**
Stock option expense		**4,782**	**-**	**-**	**4,782**
Balance, December 31, 2010	**4,272,610**	**$ 3,260,481**	**$ (1,191,855)**	**$ -**	**$ 2,068,626**

See accompanying notes to consolidated financial statements.

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AGENT INFORMATION SOFTWARE, INC.

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Net (loss) income	$ (686,262)	$ 115,140
Adjustments to reconcile net (loss) income to net cash provided by operations:		
Depreciation and amortization	655,606	646,625
Provision for doubtful accounts	-	(2,175)
Stock option expense	4,782	5,000
Loss on disposal of equipment	526	-
Deferred income tax benefit	-	(8,000)
Change in operating assets and liabilities:		
Accounts receivable, trade	(5,858)	192,876
Other current assets	(25,162)	(60,209)
Accounts payable, trade	24,535	(13,131)
Deferred revenue	354,436	62,450
Accrued payroll and related liabilities	112,157	(10,508)
Other accrued liabilities	(25,492)	(18,757)
Net cash provided by operating activities	409,268	909,311
Cash flows from investing activities:		
Acquisitions of property and equipment	(84,880)	(65,119)
Capitalized software development	(635,916)	(894,911)
Net cash used in investing activities	(720,796)	(960,030)
Cash flows from financing activities:		
Net increase in line of credit	60,000	-
Common stock purchased	(339)	-
Net cash provided by financing activities	59,661	-
Effect of exchange rate changes on cash	61,524	38,306
Net decrease in cash	(190,343)	(12,413)
Cash and cash equivalents, beginning of year	1,014,158	1,026,571
Cash and cash equivalents, end of year	$ 823,815	$ 1,014,158
Supplemental disclosure of cash flow information:		
Cash paid during the year for income taxes	$ 800	$ 22,375

See accompanying notes to consolidated financial statements.

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1. Summary of significant accounting policies

Agent Information Software, Inc. (the "Company"), a Nevada corporation incorporated in 2010, including its wholly owned subsidiaries Auto-Graphics, Inc., A-G Canada, Ltd. and Agent Legal Inc., provides software products and services used to create, manage, publish and access information content via the Internet/Web.

Auto-Graphics, Inc. a corporation formed in 1960, provides software products and services to customers in the library community throughout the United State of America.

A-G Canada Ltd., a Canadian corporation formed in 1997, provides software products and services to customers in the library community in Canada.

Agent Legal Inc., a corporation formed in 2010, provides software products and services to customers in the legal community primarily in California.

Basis of presentation

The consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America. The consolidated financial statements include the accounts of Agent Information Software, Inc. and its subsidiaries. All material intercompany accounts and transactions have been eliminated.

Recently adopted accounting standards

In July 2010, the Financial Accounting Standards Board ("FASB") issued guidance on receivables. The guidance establishes the accounting and reporting guidance for disclosures about the credit quality of financing receivables and the allowance for credit losses. The adoption of this guidance did not impact the Company's financial position, results of operations or cash flows.

In February 2010, FASB issued guidance on subsequent events. The guidance amends certain recognition and disclosure requirements. The adoption of this guidance did not impact the Company's financial position, results of operations or cash flows.

Use of estimates

The preparation of the consolidated financial statements of the Company in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and sales and expenses during the reporting period. These estimates are based on information available as of the date of the consolidated financial statements. Actual results may materially differ from those estimated.

(Continued)

Swenson

1. Summary of significant accounting policies (continued)

Revenue recognition

Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is probable. The Company enters into certain arrangements where it is obligated to deliver multiple products and/or services (multiple elements). In these arrangements, the Company generally allocates the total revenue among the elements based on the selling price of each element when sold separately (vendor-specific objective evidence).

Recurring revenues for SaaS (Software as a Service) services, database subscriptions and software maintenance and support contracts are recognized as services are rendered on a quarterly pro rata basis over the contractual period commencing in the period in which access rights are provided to the customer.

License revenues are recognized when the software is shipped to the customer or system access rights are provided to the customer.

Revenues for installation, training and other non-recurring services are recognized as services are provided to the customer.

Foreign currency translation

Assets and liabilities recorded in foreign currencies are translated at the exchange rate on the balance sheet date. Revenue and expenses are translated at average rates of exchange prevailing during the year. Translation adjustments resulting from this process are recorded to other comprehensive income and included as a component of stockholders' equity. The functional and reporting currency for operations located in Canada is the Canadian dollar. Consequently, assets and liabilities must be translated into U.S. dollars using standard exchange rates. All other Company transactions are denominated in U.S. dollars.

Credit risk

The Company performs ongoing credit evaluations of its customers and generally requires cash deposits in advance of providing services. The Company maintains a reserve for potential losses from uncollectible accounts in the form of an allowance for doubtful accounts and actual losses in 2010 and 2009 were in line with management's expectations. The Company may be exposed to credit risk for trade receivables beyond the reserves established by the Company for this purpose.

During the years ended December 31, 2010 and 2009, the Company had cash balances on hand at various financial institutions which exceeded FDIC and CDIC insured limits for periods of time.

(Continued)

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1. Summary of significant accounting policies (continued)

Fair value of financial instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practical to estimate that value:

Cash and cash equivalents and accounts receivables: the carrying amounts approximate fair value because of the short-term maturity of these instruments.

Cash and cash equivalents

The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Accounts receivable

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on reviews of outstanding amounts on a regular basis.

Deferred revenue

The Company receives advance deposits from customers per the contracts with individual customers. These contracts require 90-day cancellation notice and those amounts are non-refundable. Revenues for which payment has been received in advance are treated as deferred revenue until services are provided and the revenues have been earned. At December 31, 2010, there was approximately $489,000 in refundable customer deposits included in deferred revenue. Subsequent to year end and through the date of the consolidated financial statements, total refundable customer deposits approximated $210,000.

Software

Software is recorded at historical cost. Software at December 31 consists of the following:

	2010	2009
Software	**$ 11,226,075**	$ 10,584,998
Less, accumulated amortization	**8,836,737**	8,200,462
Software, net	**$ 2,389,338**	$ 2,384,536

Certain costs incurred related to the development and purchase of computer software are capitalized and amortized. The Company collects and segregates software development labor hours applied to design, development, quality assurance and product documentation associated with the software development process. All labor hours associated with the design and specification development process are expensed as incurred until a detailed design has been developed.

(Continued)

1. Summary of significant accounting policies (continued)

Software (continued)

All labor hours associated with coding, debugging, alpha testing, software bug corrections, quality assurance testing and documentation are eligible for capitalization. Generally, the Company capitalizes approximately 70% of eligible costs based on an average actual cost per labor hour and expenses the remainder. On an annual basis, the Company evaluates its capitalized software for recoverability against the estimated future revenues over the next five years from the products or services.

Certain marketing costs incurred to develop Web sites are expensed as incurred.

Amortization of software costs is based on the greater of the projected to actual revenue ratio or straight-line method and commences in the first full year of product availability and continues over the product's estimated useful life. The estimated useful life for computer software and databases is seven years based on its estimated economic life.

Equipment

Equipment is stated at cost less accumulated depreciation and amortization. Leasehold improvements are amortized over the shorter of the useful life of the asset or the term of the lease. Depreciation and amortization is based on the straight-line method over the estimated useful life of the asset and commences in the year the asset is placed in and/or is available for service or sale using the half-year convention method.

Depreciation and amortization is computed using straight-line methods over the following estimated useful lives:

Computer equipment	5 years
Furniture and fixtures	3 - 10 years
Booth equipment	5 years
Autos	3 years
Office equipment	5 years

Equipment at December 31 consists of the following:

	2010	2009
Computer equipment	**$ 1,631,657**	$ 1,631,743
Booth equipment	**30,195**	-
Office equipment	**52,993**	47,137
Autos	**49,031**	-
Furniture and fixtures	**333,014**	330,166
	2,096,890	2,009,046
Less accumulated depreciation	**1,811,322**	1,783,340
Equipment, net	**$ 285,568**	$ 225,706

(Continued)

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1. **Summary of significant accounting policies (continued)**

Impairment of long-lived assets

In accordance with FASB Accounting Standards Codification ("ASC") FASB ASC 360, *Property, Plant and Equipment,* long-lived tangible and intangible assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company periodically assesses the recoverability of the carrying amounts of long-lived assets. An impairment loss is recognized when expected undiscounted future cash flows are less than the carrying amount of the asset. The impairment loss is the difference by which the carrying amount of the asset exceeds its fair value. There were no impairment losses or reserves as of December 31, 2010 and 2009.

Earnings per share

Basic and diluted earnings per share computations presented by the Company conform to the standard and are based on the weighted average number of shares of Common Stock outstanding during the year.

The following is a reconciliation of the numerators and denominators of the basic and diluted earnings per share computations:

	Net (loss) income	Shares	Per share
Year ended December 31, 2010			
Basic earnings per share			
Net loss available to common stockholders	**$ (686,262)**	**4,272,860**	**$ (0.16)**
Effect of dilutive securities stock options	**-**	**565,233**	
Diluted earnings per share			
Net loss available to common stockholders	**$ (686,262)**	**4,838,093**	**$ (0.14)**
Year ended December 31, 2009			
Basic earnings per share			
Net income available to common stockholders	$ 115,140	$ 4,273,210	$ 0.03
Effect of dilutive securities stock options	-	525,233	
Diluted earnings per share			
Net income available to common stockholders	$ 115,140	4,798,443	$ 0.02

Share-based compensation

The Company recognizes in the consolidated financial statements all costs resulting from share-based payment transactions at their fair values. Compensation cost for the portion of the awards for which the requisite service had not been rendered that were outstanding as of May 10, 2005 is recognized in the consolidated statements of operations over the remaining service period after such date based on the award's original estimate of fair value. Share-based compensation expense recognized for employees and directors for the years ended December 31, 2010 and 2009, was $5,000, and is included in general and administrative expense. For the years ended December 31, 2010 and 2009, cash flows from operations and cash flows from financing activities were not affected.

(Continued)

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1. Summary of significant accounting policies (continued)

Share-based compensation (continued)

The Company determined the fair value of share-based payment awards to employees and directors on the date of grant using the Black-Scholes model, which is affected by the Company's stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to the Company's expected stock price volatility over the expected term of the awards, and actual and projected employee stock option exercise behaviors.

The Company used the simplified-method to determine an award's expected term and the Company's historical volatility to approximate expected volatility.

The Company has elected to adopt the detailed method for calculating the beginning balance of the additional paid-in capital pool ("APIC pool") related to the tax effects of employee share-based compensation, and to determine the subsequent impact on the APIC pool and consolidated statements of cash flows of the tax effects of employee share-based compensation awards that are outstanding. (See Note 6).

Comprehensive income

Comprehensive income consists of net income and other gains and losses that are not included in net income, but are recorded directly in the consolidated statements of stockholders' equity, such as the unrealized gains and losses on the translation of the assets and liabilities of the Company's foreign operations and gains or losses.

Supplemental disclosure of cash flow information

The Company paid net interest expense for the years ended December 31, 2010 and 2009 of $5,891 and $0, respectively. The Company paid income taxes in the amount of $800 and $22,375 in 2010 and 2009, respectively.

Income taxes

The Company accounts for income taxes by recognizing deferred tax assets and liabilities for the expected future tax consequences that have been included in the consolidated financial statements or tax returns. Deferred taxes are recognized for all temporary differences between the tax and financial reporting bases of the Company's assets and liabilities based on enacted tax laws and statutory rates applicable to the periods in which the differences are expected to affect taxable income. A valuation allowance is provided for deferred tax assets, if it is more likely than not that the Company will not realize those tax assets through future operations.

(Continued)

1. Summary of significant accounting policies (continued)

Income taxes (continued)

The Company evaluates and accounts for uncertain tax positions in accordance with FASB ASC 740, *Income Taxes*, which requires that management review uncertain tax positions taken and evaluate whether it is more likely than not that the tax position will be sustained as a result of an audit. Tax positions that are uncertain and do not meet the criteria for more likely than not are adjusted by a valuation account related to the amount for which is uncertain. Management believes that all tax positions taken to date are highly certain and accordingly, no accounting adjustments have been made to the consolidated financial statements.

The Company is subject to federal income tax and California franchise tax. The federal and California income tax returns for the years ended December 31, 2007, 2008 and 2009 are open to audit by the applicable taxing authorities.

Concentrations

During the years ended December 31, 2010 and 2009, there were two customer accounts which represent more than 10% of the Company's net sales. There were three customer accounts which represent more than 10% of the Company's accounts receivable as of December 31, 2010 and 2009 and all accounts were subsequently collected after year end.

2. Credit facilities

The bank renewed and extended the Company's $500,000 revolving line of credit for working capital through May 1, 2011. The interest rate is the bank prime rate (3.5% at December 31, 2010) plus a 1.0% margin or 4.5% at December 31, 2010, with a floor interest rate of 4.5%. The credit facility is secured by all of the assets of the Company and its subsidiaries, and requires that the Company maintain certain minimum financial covenant ratios. There was $60,000 in outstanding borrowings and $440,000 in available credit as of December 31, 2010.

3. Income taxes

The provision (benefit) for income taxes consists of the following for the years ended December 31:

	2010	2009
Current income taxes based on income		
Federal	$ 400	$ (5,199)
State	13,600	3,904
Foreign	-	-
Total current income tax provision (benefit)	14,000	(1,295)
Deferred income taxes based on income		
Federal	1,000	-
State	-	(8,000)
Foreign	-	-
Total deferred income tax provision (benefit)	1,000	(8,000)
Total income tax provision (benefit)	$ 15,000	$ (9,295)

A reconciliation of the provision (benefit) for income taxes based on income follows for the years ended December 31:

	2010	2009
Statutory rate	34%	34%
Statutory U.S. Federal income tax	$ (209,000)	$ 31,000
Adjustments for foreign tax rates	8,000	10,000
Permanent differences	15,000	8,000
State tax, net of federal benefit	9,000	(3,000)
Change in federal valuation allowance	198,000	(23,000)
Other	(6,000)	(32,295)
Total income tax provision (benefit)	$ 15,000	$ (9,295)

(Continued)

3. Income taxes (continued)

The deferred income tax assets and liabilities are composed of the following at December 31:

	2010	2009
Current deferred income taxes		
Bad debts/accrued vacation/other	**$ 145,000**	$ 154,000
Non-current deferred income taxes		
Deferred income tax assets:		
Net operating loss	**897,000**	634,000
AMT credits/other	**(31,000)**	14,000
	866,000	648,000
Valuation allowance	**(514,000)**	(333,000)
Net non-current deferred income tax assets	**352,000**	315,000
Deferred income tax liabilities:		
Tax over book amortization and depreciation	**(497,000)**	(469,000)
Net non-current deferred income tax liabilities	**(145,000)**	(154,000)
Net deferred income taxes	**$ -**	$ -

Deferred income tax assets and liabilities are recognized for the expected future tax consequences of events that have been reported in the Company's financial statements or tax returns. The valuation allowance at December 31, 2010 and 2009 reflects an unrecognized U.S. and foreign tax loss carryforward. At December 31, 2010, the Company had available net operating loss carryforwards of $2,160,000 for federal income tax purposes, $1,037,000 for state income tax purposes and $158,000 for foreign income tax purposes. These net operating loss carryforwards expire from 2020 to 2024 for federal taxes, 2011 to 2013 for state taxes, and 2011 to 2016 for foreign taxes.

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4. Commitments and contingencies

The Company leases its corporate office facility from an independent third party. The five-year building lease expires December 31, 2012. Rental expense was $275,000 and $268,000 for the years ended December 31, 2010 and 2009, respectively. The Company also has a three year lease which expires December 31, 2012 on a small sales and support office in Toronto, Canada for its wholly owned subsidiaries, A-G Canada, Ltd.

The Company incurred total facilities, vehicle and equipment lease and rental expense of approximately $323,000 and $312,000, for the years ended December 31 2010 and 2009, respectively. The Company is obligated under certain non-cancelable operating leases for office facilities and equipment expiring at various times through 2012.

The following approximates future minimum lease commitments as of December 31:

2011	$ 299,000
2012	308,000
Total minimum lease payments	$ 607,000

5. Related party transactions

The Company paid to Directors a total of $93,000 and $94,000 in director fees and expenses for the years ended December 31, 2010 and 2009, respectively.

6. Stockholders' equity

2002 Qualified and non-qualified stock option plan

The Company adopted a qualified and non-qualified stock option plan on February 27, 2002. The 2002 Stock Option Plan was amended on October 21, 2004 to increase the number of available options to purchase shares to 800,000. Under the plan, the stock option price per share for options granted is determined by the Board of Directors and is based on the market price of the Company's common stock on the date of grant. The stock options vest over four years and no option can be exercised later than ten years from the date it was granted.

(Continued)

6. Stockholders' equity (continued)

The Company determined compensation cost based on the fair value for its fully vested stock options at grant date. The Company's total compensation expense recorded from inception-to-date (net of tax) is approximately $16,000 and the total compensation expense (net of tax) would be approximately $21,000 based on current stock options grants.

The fair value for these options was estimated at the grant date using the Black-Scholes option-pricing model with the following weighted-average assumptions used for grants at December 31:

	2010	2009
Expected life	**5 years**	5 years
Risk-free interest rate	**4.5%**	4.5%
Expected volatility	**30%**	30%
Dividend yield	**0%**	0%
Fair value of options granted at fair market price	**$ 0.16**	$ 0.16

All options granted were at the fair market price.

Transactions involving stock options for the years ended December 31, 2010 and 2009 are summarized as follows:

	Number of Shares	Weighted Average Exercise Price
Balance at December 31, 2008	501,900	$ 0.47
Granted	40,000	0.45
Balance at December 31, 2009	541,900	0.47
Granted	**40,000**	**0.50**
Balance at December 31, 2010	**581,900**	**$ 0.47**

(Continued)

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6. Stockholders' equity (continued)

Additional information with respect to the outstanding options as of December 31, 2010 is as follows:

	Options Outstanding			Options Exercisable	
Option Exercise Price Range	Number of Shares	Average Remaining Contractual Life(Yrs.)	Weighted Average Exercise Price	Number of Shares	Average Exercise Price
$0.30 to 0.49	279,900	3.41	$ 0.36	255,900	$ 0.35
$0.50 to 0.69	180,000	6.56	0.54	148,000	0.55
$0.70 to 0.99	122,000	7.04	0.81	87,200	0.81
	581,900	5.14	$ 0.47	491,100	$ 0.49

7. 401(k) Plan

The Company sponsors a defined contribution plan qualified under Section 401(k) of the Internal Revenue Code for the benefit of its U.S. based employees. All full-time employees are eligible to participate. The Company pays the administrative expenses of the plan. Annually, the Company may, at its sole discretion, award an amount as a match against employee contributions to the 401(k) plan. The Company contribution was approximately $29,000 and $25,000 for the years ended December 31, 2010 and 2009, respectively.

8. Subsequent events

Management has evaluated subsequent events through March 28, 2011, the date on which the consolidated financial statements were available to be issued.

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