

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 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 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☐ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan LORAIN NATIONAL BANK 401(K) PLAN	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;">003</td> </tr> <tr> <td colspan="2">1c Effective date of plan 09/01/1978</td> </tr> </table>	1b Three-digit plan number (PN) ▶	003	1c Effective date of plan 09/01/1978	
1b Three-digit plan number (PN) ▶	003				
1c Effective date of plan 09/01/1978					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) LORAIN NATIONAL BANK 457 BROADWAY AVENUE LORAIN, OH 44052-1739	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) 34-0869480</td> </tr> <tr> <td>2c Sponsor's telephone number 440-244-6000</td> </tr> <tr> <td>2d Business code (see instructions) 522110</td> </tr> </table>	2b Employer Identification Number (EIN) 34-0869480	2c Sponsor's telephone number 440-244-6000	2d Business code (see instructions) 522110	
2b Employer Identification Number (EIN) 34-0869480					
2c Sponsor's telephone number 440-244-6000					
2d Business code (see instructions) 522110					

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.	07/28/2010	MARY E. MILES
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/28/2010	MARY E. MILES
	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

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

Form 5500 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") LORAIN NATIONAL BANK 457 BROADWAY AVENUE LORAIN, OH 44052-1739	3b Administrator's EIN 34-0869480 3c Administrator's telephone number 440-244-6000
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year	5	420
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	288
b Retired or separated participants receiving benefits.....	6b	1
c Other retired or separated participants entitled to future benefits.....	6c	123
d Subtotal. Add lines 6a , 6b , and 6c	6d	412
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	2
f Total. Add lines 6d and 6e	6f	414
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	414
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2H 2J 2K 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	(1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan LORAIN NATIONAL BANK 401(K) PLAN	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 LORAIN NATIONAL BANK	D Employer Identification Number (EIN) 34-0869480

Part I

Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

PENTEGRA RETIREMENT SERVICES

13-3745616

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15	RECORDKEEPER	2430	Yes ☒ No ☐	Yes ☐ No ☒	24531	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 ☐

(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.

(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 D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan LORAIN NATIONAL BANK 401(K) PLAN		B Three-digit plan number (PN) ► 003
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 LORAIN NATIONAL BANK		D Employer Identification Number (EIN) 34-0869480
Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)	
a Name of MTIA, CCT, PSA, or 103-12 IE: S&P 500 FLAGSHIP SL SERIES FUND		
b Name of sponsor of entity listed in (a): STATE STREET GLOBAL INVESTORS		
c EIN-PN 04-0025081-065	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 368398
a Name of MTIA, CCT, PSA, or 103-12 IE: PENTEGRA STABLE VALUE FUND		
b Name of sponsor of entity listed in (a): STATE STREET GLOBAL INVESTORS		
c EIN-PN 90-0337987-005	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 279538
a Name of MTIA, CCT, PSA, or 103-12 IE: S&P MIDCAP INDEX SL SERIES FUND		
b Name of sponsor of entity listed in (a): STATE STREET GLOBAL INVESTORS		
c EIN-PN 90-0337987-116	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 627475
a Name of MTIA, CCT, PSA, or 103-12 IE: LONG US TREASURY INDEX SL SERIES		
b Name of sponsor of entity listed in (a): STATE STREET GLOBAL INVESTORS		
c EIN-PN 90-0337987-006	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 132820
a Name of MTIA, CCT, PSA, or 103-12 IE: DAILY EAFE INDEX SL SERIES FD- CL T		
b Name of sponsor of entity listed in (a): STATE STREET GLOBAL INVESTORS		
c EIN-PN 04-0025081-462	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 206910
a Name of MTIA, CCT, PSA, or 103-12 IE: CONSERVATIVE STRATEGIC BALANCED SL		
b Name of sponsor of entity listed in (a): STATE STREET GLOBAL INVESTORS		
c EIN-PN 04-0025081-110	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 72583
a Name of MTIA, CCT, PSA, or 103-12 IE: MODERATE STRATEGIC BALANCED SL FUND		
b Name of sponsor of entity listed in (a): STATE STREET GLOBAL INVESTORS		
c EIN-PN 04-0025081-111	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1256811
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.		

a Name of MTIA, CCT, PSA, or 103-12 IE: AGGRESSIVE STRATEGIC BALANCED SL		
b Name of sponsor of entity listed in (a): STATE STREET GLOBAL INVESTORS		
c EIN-PN 04-0025081-112	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 303636
a Name of MTIA, CCT, PSA, or 103-12 IE: S&P GROWTH INDEX SL FUND SERIES A		
b Name of sponsor of entity listed in (a): STATE STREET GLOBAL INVESTORS		
c EIN-PN 90-0337987-002	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 230871
a Name of MTIA, CCT, PSA, or 103-12 IE: S&P VALUE INDEX SL FUND SERIES A		
b Name of sponsor of entity listed in (a): STATE STREET GLOBAL INVESTORS		
c EIN-PN 90-0337987-003	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 211988
a Name of MTIA, CCT, PSA, or 103-12 IE: RUSSELL 2000 INDEX SL SERIES FUND		
b Name of sponsor of entity listed in (a): STATE STREET GLOBAL INVESTORS		
c EIN-PN 04-0025081-084	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 298835
a Name of MTIA, CCT, PSA, or 103-12 IE: NASDAQ 100 INDEX NON-LENDING FUND		
b Name of sponsor of entity listed in (a): STATE STREET GLOBAL INVESTORS		
c EIN-PN 90-0337987-032	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 210947
a Name of MTIA, CCT, PSA, or 103-12 IE: REIT INDEX NON-LENDING SERIES FUND		
b Name of sponsor of entity listed in (a): STATE STREET GLOBAL INVESTORS		
c EIN-PN 04-0025081-352	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 61008
a Name of MTIA, CCT, PSA, or 103-12 IE: PASSIVE BOND MARKET INDEX SL SERIES		
b Name of sponsor of entity listed in (a): STATE STREET GLOBAL INVESTORS		
c EIN-PN 04-0025081-071	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 95140
a Name of MTIA, CCT, PSA, or 103-12 IE: TARGET RETIREMENT 2015 SL SER -CL A		
b Name of sponsor of entity listed in (a): STATE STREET GLOBAL INVESTORS		
c EIN-PN 90-0337987-015	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 31266
a Name of MTIA, CCT, PSA, or 103-12 IE: TARGET RETIREMENT 2025 SL SER -CL A		
b Name of sponsor of entity listed in (a): STATE STREET GLOBAL INVESTORS		
c EIN-PN 90-0337987-017	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 11904
a Name of MTIA, CCT, PSA, or 103-12 IE: TARGET RETIREMENT 2035 SL SER -CL A		
b Name of sponsor of entity listed in (a): STATE STREET GLOBAL INVESTORS		
c EIN-PN 90-0337987-019	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2743

a Name of MTIA, CCT, PSA, or 103-12 IE: **TARGET RETIREMENT 2045 SL SER -CL A**
STATE STREET GLOBAL INVESTORS

b Name of sponsor of entity listed in (a):

c EIN-PN 90-0337987-021	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 312
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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Part II Information on Participating Plans (to be completed by DFEs)

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

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan LORAIN NATIONAL BANK 401(K) PLAN	B Three-digit plan number (PN)	003
C Plan sponsor's name as shown on line 2a of Form 5500 LORAIN NATIONAL BANK	D Employer Identification Number (EIN) 34-0869480	

Part I	Asset and Liability Statement
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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	31867	14744
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	255913	1144
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	171504	221363
(9) Value of interest in common/collective trusts.....	1c(9)	3283095	4584288
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	1546297	1505138
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	5288676	6326677

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	938	711
k Total liabilities (add all amounts in lines 1g through 1j)	1k	938	711

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	5287738	6325966
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	367380	
(B) Participants	2a(1)(B)	705716	
(C) Others (including rollovers)	2a(1)(C)	10790	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1083886

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)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	9677	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		9677

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	85790	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		85790

(3) Rents	2b(3)		
-----------------	--------------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	58845	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	55652	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		3193

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	-361118	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-361118
(6) Net investment gain (loss) from common/collective trusts	2b(6)		777897
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1599325

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	533880	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		533880
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		26506
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	711	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		711
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		561097

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1038228
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: PLANTE & MORAN, PLLC

(2) EIN: 38-1357951

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 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 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.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		6000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>LORAIN NATIONAL BANK 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>LORAIN NATIONAL BANK</u>	D Employer Identification Number (EIN) <u>34-0869480</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>13-3745616</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	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 providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

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

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

Schedule R (Form 5500) 2009
v.092308.1

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 items 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 items 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 items 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 items 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 items 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 items 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 item 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 items (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 item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

The Lorain National Bank 401(k) Plan

**Financial Report
December 31, 2009**

The Lorain National Bank 401(k) Plan

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Report of Independent Auditors

To the Plan Administrator
The Lorain National Bank 401 (k) Plan

We have audited the accompanying statement of net assets available for benefits of The Lorain National Bank 401 (k) Plan (the "Plan") as of December 31, 2009 and 2008 and the related statement of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan as of December 31, 2009 and 2008 and the changes in net assets available for plan benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held at end of year for the year ended December 31, 2009 and the schedule of reportable transactions for the year ended December 31, 2009 are presented for the purpose of additional analysis and are not required parts of the basic financial statements but are supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Plante & Moran, PLLC

Columbus, Ohio
June 22, 2010

The Lorain National Bank 401(k) Plan

Statement of Net Assets Available for Plan Benefits

	December 31	
	2009	2008
Assets		
Cash	\$ 15,888	\$ 31,867
Investments - At fair value (Notes 3 and 5):		
Nonparticipant-directed - Common stock - LNB Bancorp, Inc.	1,505,138	1,546,297
Participant-directed:		
Short-term cash investments	180,783	255,913
Common collective trust funds	4,407,987	3,283,095
Participant loans	221,363	171,504
Total investments	6,315,271	5,256,809
Total assets	6,331,159	5,288,676
Liabilities - Other expense payable	(711)	(938)
Net Assets Available for Plan Benefits at Fair Value	6,330,448	5,287,738
Adjustment from Fair Value to Contract Value for Interest in Common Collective Trust Funds Relating to Fully Benefit-responsive Investment Contracts	(4,482)	2,368
Net Assets Available for Plan Benefits	\$ 6,325,966	\$ 5,290,106

The Lorain National Bank 401(k) Plan

Statement of Changes in Net Assets Available for Plan Benefits

	Year Ended December 31	
	2009	2008
Additions		
Investment income (loss):		
Dividends	\$ 85,790	\$ 145,703
Interest	9,677	13,079
Net appreciation (depreciation) in fair value of investments (Note 3)	<u>417,604</u>	<u>(3,426,688)</u>
Total investment income (loss)	513,071	(3,267,906)
Contributions:		
Employer	367,379	400,158
Participants	705,717	753,615
Participant rollovers	<u>10,790</u>	<u>46,301</u>
Total contributions	<u>1,083,886</u>	<u>1,200,074</u>
Total additions - Net	1,596,957	(2,067,832)
Deductions		
Distributions to participants	(560,386)	(1,120,052)
Other expense	<u>(711)</u>	<u>(938)</u>
Total deductions	<u>(561,097)</u>	<u>(1,120,990)</u>
Net Increase (Decrease) Before Other Changes	1,035,860	(3,188,822)
Transfers In (Note 7)	<u>-</u>	<u>2,429,905</u>
Net Increase (Decrease) in Net Assets Available for Plan Benefits	1,035,860	(758,917)
Net Assets Available for Plan Benefits - Beginning of year	<u>5,290,106</u>	<u>6,049,023</u>
Net Assets Available for Plan Benefits - End of year	<u>\$ 6,325,966</u>	<u>\$ 5,290,106</u>

The Lorain National Bank 401(k) Plan

Notes to Financial Statements
December 31, 2009 and 2008

Note 1 - Description of Plan

The following is a general description of The Lorain National Bank 401(k) Plan (the "Plan"). Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan sponsored by The Lorain National Bank (the "Bank"), a wholly owned subsidiary of LNB Bancorp, Inc. (the "Bancorp" or the "Corporation"), covering substantially all employees of the Bank and related Bancorp affiliates for which the Bank acts as common paymaster. An employee is eligible to participate in the Plan after the attainment of age 19 and completion of 90 days of service, as defined in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Under the terms of the Plan, the Investment and Trust Services Division of the Bank acts as trustee for the Plan and, as such, provides oversight for a trust fund, which includes all of the Plan's assets.

Contributions - The Plan allows participants to make pretax contributions up to the maximum dollar limits set by the IRS. Based on the number of hours worked or paid, certain participants in the Plan are eligible to receive employer contributions. Each year the employer will make a safe harbor matching contribution to the Plan equal to 3.0 percent of the employee's annual compensation regardless of the employee's participation in the Plan.

Employee contributions are invested according to participant investment elections for pretax contributions. If an employee has not made investment elections, the employee contributions will be invested in the State Street Global Advisors' Moderate Strategic Balanced SL Fund (Growth & Income Asset Allocation Fund). Employer contributions are not participant-directed and are invested in LNB Bancorp, Inc. common stock.

To receive an employer contribution, a participant must be eligible to participate in the plan. A participant's account also receives the employer contribution for the year which the participant retires, becomes disabled, or dies.

The Lorain National Bank 401(k) Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 1 - Description of Plan (Continued)

Participant Accounts - Each participant's account is credited with the participant's contribution, the Bank's contribution, and an allocation of plan earnings. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Forfeitures - At December 31, 2009 and 2008, there were no outstanding forfeited nonvested accounts. Forfeitures are used to reduce future employer contributions.

Vesting - Participants are immediately vested in their voluntary contribution and the employer's contribution for the current plan year plus any earnings accrued thereon.

Payment of Benefits - Upon termination of service, the vested amount of the Bank's contributions and earnings thereon is paid at the election of the participant in cash. Participants can elect to receive their voluntary contributions and earnings thereon in a single lump-sum cash payment or in substantially equal installments over a period of not more than the assumed life expectancy of the participant and the participant's beneficiary.

Withdrawals - Aside from normal retirement distributions, in-service withdrawals relative to the pre-2000 after-tax savings and company match may be withdrawn at any time. In accordance with plan provisions, pretax savings may also be withdrawn for reasons of extreme financial hardship as defined under federal law. An employee can make only one withdrawal in any 12-month period, relative to the Stock Purchase Plan provision of pre-2000 after-tax dollars and employer match.

Participant Loans - Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their account balance. The loans are secured by the balance in the participant's account and are charged a rate of interest commensurate with local prevailing rates as determined by the plan administrator. Principal and interest are paid ratably through biweekly payroll deductions.

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

The Lorain National Bank 401(k) Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 2 - Significant Accounting Policies

Investment Valuation and Income Recognition - The Plan's investments are stated at fair value, except for a common collective trust fund that invests in benefit-responsive investment contracts (commonly referred to as a stable value fund), which is valued at contract value. Contract value represents investments at cost plus accrued interest income less amounts withdrawn to pay benefits. The fair value of the stable value common collective trust fund is based on discounting the related cash flows of the underlying guaranteed investment contracts based on current yields of similar instruments with comparable durations. The interest-bearing cash and participant loans are valued at their outstanding balances, which approximate fair value. All other investments are valued based on quoted market prices.

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 the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires plan management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Administrative Expenses - The administrative expenses of the Plan are paid by the Bank.

Benefit Payments - Benefits are recorded when paid.

Risks and Uncertainties - The Plan provides for various investment options including any combination of common collective trust funds, LNB Bancorp, Inc. common stock, and other investment securities. The underlying 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 the amounts reported in the statement of net assets available for benefits and participants' individual account balances.

The Lorain National Bank 401(k) Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 2 - Significant Accounting Policies (Continued)

Concentration of Credit Risk - At December 31, 2009 and 2008, approximately 24 percent and 29 percent, respectively, of the Plan's assets were invested in LNB Bancorp, Inc. common stock.

Subsequent Events - The financial statements and related disclosures include evaluation of events up through and including June 22, 2010, which is the date the financial statements were available to be issued.

Note 3 - Investments

The following table presents the fair value of investments that represented 5 percent or more of the Plan's assets at December 31, 2009 and 2008:

	2009	2008
Common stock - LNB Bancorp, Inc. - 349,220 and 294,532 common shares in 2009 and 2008, respectively**	\$ 1,505,138	\$ 1,546,297
Common collective trust funds:		
State Street Global Advisors Growth & Income Fund #110	1,256,817	1,190,097
State Street Global Advisors S&P Mid-Cap Stock Fund #500	627,477	422,292
State Street Global Advisors S&P 500 Stock Fund Fund #400	368,396	254,970

During the years ended December 31, 2009 and 2008, the Plan's investments (including investments bought, sold, and held during the year) (depreciated) appreciated in value as follows:

	2009	2008
Common stock - LNB Bancorp, Inc.**	\$ (364,399)	\$ (2,251,602)
Common collective trust funds	782,003	(1,175,086)
Total	<u>\$ 417,604</u>	<u>\$ (3,426,688)</u>

** Nonparticipant-directed

The Lorain National Bank 401(k) Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 4 - Federal Income Taxes

The Internal Revenue Service issued its latest determination letter on January 27, 2003, which stated that the Plan and underlying trust, as designed, qualify under the applicable provisions of the Internal Revenue Code. In the opinion of the plan administrator, the Plan and its underlying trust have operated within the terms of the Plan and remain qualified under the applicable provisions of the Internal Revenue Code.

Note 5 - Party-in-interest Transactions

The following is a summary of transactions in common stock of LNB Bancorp, Inc., 100 percent owner of the Bank, during the years ended December 31, 2009 and 2008:

	Number of Shares	Fair Value
Balance at December 31, 2007	164,597	\$ 2,411,363
Purchases	49,555	505,005
Sales	(65,462)	(622,283)
Distributions in-kind	(16,714)	(138,591)
Net depreciation	-	(2,251,602)
Transfers in from LNB ESOP	162,556	1,642,405
Balance at December 31, 2008	294,532	1,546,297
Purchases	69,587	404,171
Sales	(14,899)	(80,931)
Net depreciation	-	(364,399)
Balance at December 31, 2009	349,220	\$ 1,505,138

The Lorain National Bank 401(k) Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 6 - Assets Available for Distribution to Participants

The following is a summary of the assets available for distribution to participants as of December 31, 2009 and 2008:

	2009	2008
Assets payable to terminated participants	\$ 946,301	\$ 851,098
Assets available for continuing participants	5,379,665	4,439,008
Total	<u>\$ 6,325,966</u>	<u>\$ 5,290,106</u>

Note 7 - Plan Merger

Effective December 31, 2007, Lorain National Bank Employee Stock Ownership Plan, a plan sponsored by the Company, and Morgan Bank 401(k) Plan were merged with the Plan. In April, 2008, Lorain National Bank Employee Stock Ownership Plan assets of \$1,644,703 and Morgan Bank 401(k) Plan assets of \$785,202 were transferred into the Plan.

Note 8 - Fair Value Measurements

Accounting standards require certain assets be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Level 1 - In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Plan has the ability to access.

Level 2 - Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 - Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Plan's assessment of the

The Lorain National Bank 401(k) Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 8 - Fair Value Measurements (Continued)

significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

During 2009, the Plan adopted, on a prospective basis, new accounting standards which require disclosure of fair value by major class of investments.

The following tables represent the balances of the Plan's financial assets that were measured at fair value on a recurring basis as of December 31, 2009 and 2008:

Assets Measured at Fair Value on a Recurring Basis at December 31, 2009

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2009
Common stock - LNB Bancorp, Inc.	\$ 1,505,138	\$ -	\$ -	\$ 1,505,138
Short-term cash investments		180,783	-	180,783
Common collective trust funds				
Bond Funds (1)		228,262		228,262
Index Equity Funds (2)		1,948,513		1,948,513
Growth and Income Funds (2)		1,633,035		1,633,035
International Fund (2)		206,912		206,912
Balanced Asset Fund (3)		46,225		46,225
Real Estate Fund (4)		61,008		61,008
Stable Value Fund (5)		284,032		284,032
Participant loans	-	-	221,363	221,363
Total	<u>\$ 1,505,138</u>	<u>\$ 4,588,770</u>	<u>\$ 221,363</u>	<u>\$ 6,315,271</u>

(1) This category represents investments in actively managed common collective trust funds that invest primarily in bonds which may include corporate bonds, government bonds or municipal bonds. Investments are valued at the net asset value per share multiplied by the number of shares held as of the measurement date.

(2) This category represents investments in actively managed common collective trust funds that invest primarily in equity securities which may include common stocks, options and futures. Investments are valued at the net asset value per share multiplied by the number of shares held as of the measurement date.

(3) This category represents investments in actively managed common collective trust funds with investments in both equity and debt securities. The investments may include common stock, corporate bonds, U.S. and non-U.S. municipal securities, interest rate swaps, options and futures. Investments are valued at the net asset value per share multiplied by the number of shares held as of the measurement date.

(4) This category represents investments in actively managed common collective trust funds with investments in real estate. The investments may include actual real estate property or real estate investment trusts. Investments are valued at the net asset value per share multiplied by the number of shares held as of the measurement date.

(5) This category represents investments in an actively managed common collective trust fund or pooled separate accounts that invests primarily in investment contracts, a variety of fixed income investments that may include corporate bonds, both U.S. and non-U.S. municipal securities and wrapper contracts. Investments are valued at the net asset value per share multiplied by the number of shares held as of the measurement date.

The Lorain National Bank 401(k) Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 8 - Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Recurring Basis at December 31, 2008

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2008
Common stock - LNB Bancorp, Inc.	\$ 1,546,297	\$ -	\$ -	\$ 1,546,297
Short-term cash investments	-	255,913	-	255,913
Common collective trust funds	-	3,283,095	-	3,283,095
Participant loans	-	-	171,504	171,504
Total	<u>\$ 1,546,297</u>	<u>\$ 3,539,008</u>	<u>\$ 171,504</u>	<u>\$ 5,256,809</u>

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 investments for the years ended December 31, 2009 and 2008:

	Participant Loans
Balance at December 31, 2007	\$ 133,746
Purchases, sales, issuances, and settlements - Net	<u>37,758</u>
Balance at December 31, 2008	\$ 171,504
Purchases, sales, issuances, and settlements - Net	<u>49,859</u>
Balance at December 31, 2009	<u>\$ 221,363</u>

Note 9 - Reconciliation to Form 5500

The net assets on the financial statements differ from the net assets on Form 5500 due to a common collective trust fund being recorded at contract value on the financial statements and at fair value on Form 5500. The net assets on the financial statements were different from those on Form 5500 at December 31, 2008 by \$2,368. Additionally, the investment income on Form 5500 for the year ended December 31, 2009 is higher by \$2,368.

The Lorain National Bank 401(k) Plan

Schedule of Assets Held at End of Year Form 5500, Schedule H, Item 4i EIN 34-0869480, Plan No. 003 December 31, 2009

(a)(b) Identity of Issuer, 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
LNB Bancorp, Inc.*	Common stock - 349,220 shares	\$ 1,834,454	\$ 1,505,138
State Street Global Advisors	Short Term Investment Fund #200	**	180,783
Participants	Participant loans bearing interest at 4.75% to 9.25%	**	221,363
	Common collective trust funds:		
State Street Global Advisors	Aggregate Bond Index Fund #310	**	95,141
State Street Global Advisors	Growth Fund #120	**	303,635
State Street Global Advisors	Growth & Income Fund #110	**	1,256,817
State Street Global Advisors	Income Plus Fund #100	**	72,583
State Street Global Advisors	International Stock Fund #600	**	206,912
State Street Global Advisors	Long Treasury Index Fund #300	**	132,819
State Street Global Advisors	NASDAQ 100 Stock Fund #520	**	210,947
State Street Global Advisors	Russell 2000 Stock Fund #510	**	298,835
State Street Global Advisors	S&P 500 Stock Fund #400	**	368,396
State Street Global Advisors	S&P Growth Stock Fund #420	**	230,871
State Street Global Advisors	S&P Mid-Cap Stock Fund #500	**	627,477
State Street Global Advisors	S&P Value Stock Fund #410	**	211,987
State Street Global Advisors	Stable Value Fund #210	**	284,032
State Street Global Advisors	Govt Short Bond	**	302
State Street Global Advisors	Target Retire 2015	**	31,266
State Street Global Advisors	Target Retire 2025	**	11,904
State Street Global Advisors	Target Retire 2035	**	2,743
State Street Global Advisors	Target Retire 2045	**	312
State Street Global Advisors	US REIT Index Fund #530	**	61,008
	Total investments		<u>\$ 6,315,271</u>

* Party-in-interest

** Cost information not required

The Lorain National Bank 401(k) Plan

Schedule of Reportable Transactions Form 5500, Schedule H, Item 4i EIN 34-0869480, Plan 003 Year Ended December 31, 2009

(b) Description of Asset (Including Interest Rate and Maturity in Case of a Loan)	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred with Transaction	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Realized Net Gain (Loss)
LNB Bancorp, Inc. common stock:							
Purchases (31)	\$ 404,171	\$ -	\$ -	\$ -	\$ 404,171	\$ 404,171	\$ -
Sales (31)	-	\$ 80,931	\$ -	\$ -	\$ 102,627	\$ 80,931	\$ (21,696)
Distributions in-kind (0)	-	-	-	-	-	-	-

The Lorain National Bank 401(k) Plan

Schedule of Assets Held at End of Year Form 5500, Schedule H, Item 4i EIN 34-0869480, Plan No. 003 December 31, 2009

(a)(b) Identity of Issuer, 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
LNB Bancorp, Inc.*	Common stock - 349,220 shares	\$ 1,834,454	\$ 1,505,138
State Street Global Advisors	Short Term Investment Fund #200	**	180,783
Participants	Participant loans bearing interest at 4.75% to 9.25%	**	221,363
	Common collective trust funds:		
State Street Global Advisors	Aggregate Bond Index Fund #310	**	95,141
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	Total investments		<u>\$ 6,315,271</u>

* Party-in-interest

** Cost information not required