

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 01/01/2009 and ending 12/31/2009	
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 WSA GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN	1b Three-digit plan number (PN) ▶ 001
	1c Effective date of plan 01/01/1986
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) WSA GROUP, INC. POST OFFICE 92 COLUMBIA, SC 29202	2b Employer Identification Number (EIN) 57-0817656 2c Sponsor's telephone number 803-758-4500 2d Business code (see instructions) 541330

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	08/17/2010	DANIEL T. HOUSTON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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")

DANIEL T. HOUSTON
WILBUR SMITH ASSOCIATES, INC.
POST OFFICE BOX 92
COLUMBIA, SC 29202

3b Administrator's EIN

57-0817656

3c Administrator's telephone number

803-758-4500

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**

959

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**

718

b Retired or separated participants receiving benefits.....**6b**

0

c Other retired or separated participants entitled to future benefits.....**6c**

124

d Subtotal. Add lines **6a**, **6b**, and **6c**.....**6d**

842

e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....**6e**

4

f Total. Add lines **6d** and **6e**.....**6f**

846

g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....**6g**

927

h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....**6h**

18

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:

20 2Q

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)

- (1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust
(4) ☐ General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

- (1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ 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 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 <u>WSA GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>WSA GROUP, INC.</u>	D Employer Identification Number (EIN) <u>57-0817656</u>	

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

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	23565572	24445637
(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	23565572	24445637

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	23565572	24445637
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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)	0	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		

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

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	3987587	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		3987587
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		3987587

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3107522	
(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)		3107522
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		3107522

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		880065
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: DAVIS AND COMPANY, PA

(2) EIN: 42-1575695

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		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		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.		X	

- 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)

Davis and Company

Certified Public Accountants

American Institute of CPAs • South Carolina Association of CPAs

Phone (803) 788-0702 • FAX (803) 788-1444

INDEPENDENT AUDITORS' REPORT

Administrative Committee
WSA Group, Inc.
Employee Stock Ownership Plan

We have audited the accompanying statements of net assets available for benefits of WSA Group, Inc. Employee Stock Ownership Plan as of December 31, 2009 and 2008, and the related statements 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 audit 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 audit provides a reasonable basis for our opinion.

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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules on page 11, are presented for the purpose of additional analysis and are not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental information is the responsibility of the Plan's management. The supplemental information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Columbia, South Carolina
July 23, 2010

Davis and Company

WSA GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN

EIN: 57-0817656

PLAN NUMBER: 001

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2009

(a)	Identity of issue (b)	Description (c)	Cost (d)	Current Value (e)
*	WSA Group, Inc. Common Stock	Common Stock	1,398,238	24,445,637

**Application for Extension of Time
To File Certain Employee Plan Returns**

► For Privacy Act and Paperwork Reduction Act Notice, see instructions.

OMB No. 1545-0212

File With IRS Only

Part I Identification

A Name of filer, plan administrator, or plan sponsor (see instructions)

WSA GROUP, INC.

Number, street, and room or suite no. (If a P.O. box, see instructions)

POST OFFICE 92

City or town, state, and ZIP code

COLUMBIA, SC 29202

B Filer's identifying number (see instr.)

☒ Employer identification number (EIN).
57-0817656

☐ Social security number (SSN)

C Plan name

Plan
number

Plan year ending -

MM	DD	YYYY
12	31	2009

1 WSA GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN

001

2

3

Part II Extension of Time to File Form 5500 or Form 5500-EZ (see instructions)

1 I request an extension of time until 10/15/2010 to file Form 5500 or Form 5500-EZ.

The application is automatically approved to the date shown on line 1 (above) if: (a) the Form 5558 is filed on or before the normal due date of Form 5500 or 5500-EZ for which this extension is requested, and (b) the date on line 1 is no more than 2 1/2 months after the normal due date.

You must attach a copy of this Form 5558 to each Form 5500 and 5500-EZ filed after the due date for the plans listed in C above.

Note. A signature is not required if you are requesting an extension to file Form 5500 or Form 5500-EZ.

Part III Extension of Time to File Form 5330 (see instructions)

2 I request an extension of time until _____ to file Form 5330.

You may be approved for up to a six (6) month extension to file Form 5330, after the normal due date of Form 5330.

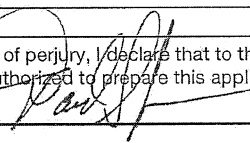
a Enter the Code section(s) imposing the tax ► a

b Enter the payment amount attached ► b

c For excise taxes under section 4980 or 4980F of the Code, enter the reversion/amendment date ► c

3 State in detail why you need the extension

Under penalties of perjury, I declare that to the best of my knowledge and belief, the statements made on this form are true, correct, and complete, and that I am authorized to prepare this application.

Signature ► 

Date ►

8/2/10

WSA GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION
YEARS ENDED DECEMBER 31, 2009 AND 2008
AND
INDEPENDENT AUDITORS' REPORT

WSA GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

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Davis and Company

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Administrative Committee
WSA Group, Inc.
Employee Stock Ownership Plan

We have audited the accompanying statements of net assets available for benefits of WSA Group, Inc. Employee Stock Ownership Plan as of December 31, 2009 and 2008, and the related statements 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 audit 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 audit provides a reasonable basis for our opinion.

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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules on page 11, are presented for the purpose of additional analysis and are not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental information is the responsibility of the Plan's management. The supplemental information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Columbia, South Carolina
July 23, 2010

Davis and Company

WSA GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS,
DECEMBER 31, 2009 AND 2008

ASSETS

	<u>2009</u>	<u>2008</u>
Investments at fair value:		
WSA Group, Inc. common stock	\$ <u>24,445,637</u>	\$ <u>23,565,572</u>
Total assets	<u>24,445,637</u>	<u>23,565,572</u>

LIABILITIES AND NET ASSETS

Liabilities	None	None
Net assets available for benefits	<u>24,445,637</u>	<u>23,565,572</u>

The accompanying notes are an integral part of this statement

WSA GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS,
YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Additions to net assets:		
Investment income - net unrealized appreciation in estimated fair market value of investment	\$ 3,987,587	\$ 2,770,922
Employer contributions	<u>-</u>	<u>1,622,400</u>
Total additions	3,987,587	4,393,322
Deductions from net assets:		
Distributions to participants	<u>3,107,522</u>	<u>2,134,760</u>
Net increase	880,065	2,258,562
Net assets available for benefits:		
Beginning of year	<u>23,565,572</u>	<u>21,307,010</u>
End of year	<u>24,445,637</u>	<u>23,565,572</u>

The accompanying notes are an integral part of this statement

WSA GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO FINANCIAL STATEMENTS, DECEMBER 31, 2009 AND 2008

NOTE 1 - PLAN DESCRIPTION AND BASIS OF PRESENTATION:

WSA Group, Inc. (the Company) established the WSA Group, Inc. Employee Stock Ownership Plan (Plan) effective August 26, 1986. The Plan operates as an employee stock ownership plan, and is designed to comply with Section 4975 (e) (7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 as amended. The Plan is administered by the Plan Trustees, comprised of the Company's Board of Directors.

Eligibility: Employees of the Company and its participating subsidiaries are eligible to participate in the Plan at year-end (December 31), providing they worked at least 1,000 hours during such plan year. Participants who do not have at least 1,000 hours of service during such plan year or are not employed on the last working day of a plan year are not eligible for an allocation of Company contributions for such year.

Vesting: The vesting schedule, described in the plan document, is based on a participant's length of service. Forfeitures are allocated to eligible plan participants. Forfeitures reallocated to plan participants were \$261,499 and \$155,674 for 2009 and 2008 respectively.

Participant Accounts: Each participant's account is credited with an allocation of (a) the Company's contribution, (b) Plan earnings, and (c) forfeitures of terminated participants' nonvested accounts. Allocations are based on participant earnings and number of shares held. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Payment of Benefits: Distributions from the Plan are made when a participant retires, dies (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representatives), or otherwise terminates employment with the Company or its participating subsidiaries. Each active participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised. Unallocated shares, if any, are to be voted by the Trustees in the same proportion as the allocated shares in the Employee Stock Ownership Plan.

Plan Termination: The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time, as prescribed by the Plan terms and the Code. Upon termination of the Plan, the Plan Committee shall direct the Trustee to pay all liabilities and expenses of the trust fund.

WSA GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting: The financial statements of the Plan are prepared using the accrual method of accounting.

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Investment Valuation: The common stock of the Company is valued at fair value on December 31, 2009 and 2008. Fair value is determined by an annual independent appraisal.

Date of Management's Review: Subsequent events were evaluated through August 17, 2010, which is the date the financial statements were available to be issued.

NOTE 3 - FAIR VALUE MEASUREMENTS:

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The following tables present fair value measurement information for certain financial instruments. The carrying values of receivables, cash and cash equivalents, and interest payable, if any, included in the accompanying statement of net assets available for benefits approximated fair value at December 31, 2009 and 2008, and are thus not included in the following table.

		Fair Value Measurements at Reporting Date Using:	
<u>December 31, 2009</u>	<u>Fair Value</u>	<u>Significant Unobservable Inputs (Level 3)</u>	
WSA Group, Inc. common stock	\$ <u>24,445,637</u>	\$	<u>24,445,637</u>
<u>December 31, 2008</u>			
WSA Group, Inc. common stock	\$ <u>23,565,572</u>	\$	<u>23,565,572</u>

WSA GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED):

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets. Level 3 inputs have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

Level 3 Fair Value Measurements: The fair value of the sponsor company common stock is determined by annual independent appraisals. The following table provides further details of this Level 3 fair value measurement.

WSA Group, Inc. Common Stock

December 31, 2009

Beginning balance	\$ 23,565,572
Total gains or losses (realized and unrealized) included in changes in net assets available for benefits	3,987,587
Purchases, distributions, and issuances	<u>(3,107,522)</u>
Ending balance	<u>24,445,637</u>
Total gains or losses for the year included in changes in net assets available for benefits attributable to the change in unrealized gains or losses relating to investments still held at the reporting date.	\$ <u>3,987,587</u>

WSA GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED):

December 31, 2008

Beginning balance	\$ 21,307,010
Total gains or losses (realized and unrealized) included in changes in net assets available for benefits	2,770,922
Purchases, distributions, and issuances	<u>(512,360)</u>
Ending balance	<u>23,565,572</u>
Total gains or losses for the year included in changes in net assets available for benefits attributable to the change in unrealized gains or losses relating to investments still held at the reporting date.	\$ <u>2,795,912</u>

Gains and losses (realized and unrealized) included in changes in net assets available for benefits for the year ended December 31, 2009 are reported in net appreciation in fair value of investments.

NOTE 4 - TAX STATUS:

The Internal Revenue Service has determined and informed the Company by a letter dated January 27, 2010 that the Plan is qualified and the trust established under the Plan is tax-exempt, under the appropriate sections of the Code. The Plan Administrator and its qualified tax counsel do not anticipate that changes in the Plan after the date of the amendments covered by the Internal Revenue Service determination letter will affect the qualified and tax-exempt status of the Plan and the Trust, respectively.

NOTE 5 - ADMINISTRATION OF PLAN ASSETS:

The Plan's assets, which consist of WSA Group, Inc. common stock, are held by the Trustee of the Plan.

Company contributions are held and managed by the Trustee, who makes distributions to participants. Certain administrative functions are performed by officers or employees of the company or its subsidiaries. No such officer or employee receives compensation from the Plan.

WSA GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - ADMINISTRATION OF PLAN ASSETS (CONTINUED):

The plan sponsor paid substantially all of the operational costs to administer the plan for the years December 31, 2009 and 2008.

NOTE 6 - INVESTMENT:

The Plan's nonparticipant - directed investment consists of WSA Group, Inc. common stock as follows:

DECEMBER 31, 2009	
	Total
Number of shares	173,373
Cost	\$ 1,398,238
Market value	\$ 24,445,637
DECEMBER 31, 2008	
Number of shares	199,708
Cost	\$ 4,739,451
Market value	\$ 23,565,572

NOTE 7 - EMPLOYER CONTRIBUTIONS:

The Company contribution to the plan will be determined each year and will vary at the discretion of the Board of Directors. The contribution will be made in either Company stock or cash or a combination of both. The Company is obligated to make contributions to enable the Plan to purchase vested shares of stock from terminated employees.

NOTE 8 - RISKS AND UNCERTAINTIES:

The Plan invests in the plan sponsor's company stock. The company stock is exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with the company stock, it is at least reasonably possible that changes in the value of the company stock will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

WSA GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - SUBSEQUENT EVENT:

At a special meeting on May 26, 2010, the plan sponsor unanimously decided to move forward with due diligence and integration planning for a possible merger with another company. These activities will take several months. The due diligence will determine the final financial details of this transaction. An information package similar to a prospectus will be developed for presentation to stockholders for review so that they can make an informed decision and vote on this possible merger in early October. The effect of this merger, if approved, has not been reflected in the Plan's financial statements.

These notes are an integral part of the accompanying financial statements

WSA GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

SCHEDULES OF ASSETS HELD FOR INVESTMENT, DECEMBER 31, 2009 AND 2008

	2009			2008		
	NUMBER OF SHARES	COST	FAIR VALUE	NUMBER OF SHARES	COST	FAIR VALUE
PARTY-IN-INTEREST INVESTMENT: WSA Group, Inc., common stock	173,373	\$1,398,238	\$ 24,445,637	199,708	\$ 4,739,451	\$23,565,572
Total assets held for investment	173,373	1,398,238	24,445,637	199,708	4,739,451	23,565,572

See Auditor's Report