

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 NORTH STATE COMMUNICATIONS EMPLOYEES' SAVINGS PLUS PLAN	1b Three-digit plan number (PN) ▶ 002
	1c Effective date of plan 11/01/1988
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS P.O. BOX 2326 HIGH POINT, NC 27261 111 NORTH MAIN STREET HIGH POINT, NC 27261	2b Employer Identification Number (EIN) 56-0341710 2c Sponsor's telephone number 336-886-3600 2d Business code (see instructions) 517000

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.	09/28/2010	REX WALSER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	09/28/2010	REX WALSER
	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") NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS P.O. BOX 2326 HIGH POINT, NC 27261	3b Administrator's EIN 56-0341710 3c Administrator's telephone number 336-886-3600
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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
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5 Total number of participants at the beginning of the plan year	5	424
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	381
b Retired or separated participants receiving benefits.....	6b	3
c Other retired or separated participants entitled to future benefits.....	6c	35
d Subtotal. Add lines 6a , 6b , and 6c	6d	419
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	4
f Total. Add lines 6d and 6e	6f	423
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	392
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:
 2J 2K 2E 2G 2F 2T 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) (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
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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)
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<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	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

<div>A Name of plan</div> <div>NORTH STATE COMMUNICATIONS EMPLOYEES' SAVINGS PLUS PLAN</div>	<div>B Three-digit plan number (PN)</div> <div>▶ 002</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500</div> <div>NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS</div>	<div>D Employer Identification Number (EIN)</div> <div>56-0341710</div>

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

BB&T

56-1368984

(b) Enter name and EIN or address of person who provided you disclosure 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)

BB&T

56-1368984

(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?
21 38 64	TRUSTEE	39245	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

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

CONSOLIDATED INVESTMENT ADVISORS

6525 MORRISON BLVD, SUITE 108
CHARLOTTE, NC 28211

(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?
27	INVESTMENT ADVISOR	25499	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

BAUKNIGHT PIETRAS & STORMER, P.A.,

1517 GERVAIS STREET
COLUMBIA, SC 29202

(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?
10	AUDITOR	8977	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
BB&T	60	0
(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.
AMERICAN CAP WORLD GR & INC R5 3500 WISEMAN BLVD SAN ANTONIO, TX 78251-4321	5 BPS * AVERAGE DAILY BALANCE	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
BB&T	60 63	0
(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.
AMERICAN CAP WORLD GR & INC R4 3500 WISEMAN BLVD SAN ANTONIO, TX 78251-4321	12B1: 25 BPS * AVERAGE DAILY BALANCE SUBTA: 10 BPS * AVERAGE DAILY BALANCE	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
BB&T	60	0
(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.
AMERICAN FUNDAMENTAL INV R5 3500 WISEMAN BLVD SAN ANTONIO, TX 78251-4321	5 BPS * AVERAGE DAILY BALANCE	

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
BB&T	60 63	0
(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.	
AMERICAN FUNDAMENTAL INVESTORS R4 3500 WISEMAN BLVD SAN ANTONIO, TX 78251-4321	12B1: 25 BPS * AVERAGE DAILY BALANCE SUBTA: 10 BPS * AVERAGE DAILY BALANCE	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
BB&T	60	0
(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.	
AMERICAN GROWTH FUND OF AMERICA R5 3500 WISEMAN BLVD SAN ANTONIO, TX 78251-4321	5 BPS * AVERAGE DAILY BALANCE	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
BB&T	60 63	0
(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.	
AMERICAN GROWTH FUND OF AMERICA R4 3500 WISEMAN BLVD SAN ANTONIO, TX 78251-4321	12B1: 25 BPS * AVERAGE DAILY BALANCE SUBTA: 10 BPS * AVERAGE DAILY BALANCE	

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
BB&T	60	0
(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.
AMERICAN FDS SMALL CAP WORLD R5 3500 WISEMAN BLVD SAN ANTONIO, TX 78251-4321	5 BPS * AVERAGE DAILY BALANCE	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
BB&T	60 63	0
(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.
AMERICAN FDS SMALL CAP WORLD R4 3500 WISEMAN BLVD SAN ANTONIO, TX 78251-4321	12B1: 25 BPS * AVERAGE DAILY BALANCE SUBTA: 10 BPS * AVERAGE DAILY BALANCE	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
BB&T	60	0
(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.
DODGE & COX BALANCED 555 CALIFORNIA STREET 40TH FL SAN FRANCISCO, CA 94104	10 BPS * AVERAGE DAILY BALANCE	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(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:

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)**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)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**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)**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)**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)

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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 <u>01/01/2009</u> and ending <u>12/31/2009</u>		
A Name of plan <u>NORTH STATE COMMUNICATIONS EMPLOYEES' SAVINGS PLUS PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS</u>	D Employer Identification Number (EIN) <u>56-0341710</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a	79965	87250
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)	13575889	10849625
	(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)	24387026	30550582
	(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)		
(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	38042880	41487457

Liabilities

g Benefit claims payable	1g	9502	
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	9502	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	38033378	41487457
---	-----------	----------	----------

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)	264203	
(B) Participants	2a(1)(B)	1491920	
(C) Others (including rollovers)	2a(1)(C)	12265	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1768388

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)		0

(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)	901377	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		901377

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

(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)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	10163694	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		10163694
(6) Net investment gain (loss) from common/collective trusts	2b(6)		-357317
(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)		-4641502
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		7834640

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	4306884	
(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)		4306884
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)	73677	
(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)		73677
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		4380561

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		3454079
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: BAUKNIGHT, PIETRAS, & STORMER, P.A.

(2) EIN: 57-0940019

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		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		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)

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

A Name of plan <u>NORTH STATE COMMUNICATIONS EMPLOYEES' SAVINGS PLUS PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS</u>	D Employer Identification Number (EIN) <u>56-0341710</u>

Part I	Distributions
---------------	----------------------

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<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>56-1368984</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
-----------------	-------------------

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
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

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): _____

Financial Statements
and Supplemental Schedules

North State Communications
Employees' Savings Plus Plan

*Years Ended December 31, 2009 and 2008
with Report of Independent Auditors*

North State Communications Employees' Savings Plus Plan
Financial Statements
and Supplemental Schedules
Years Ended December 31, 2009 and 2008

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Report of Independent Auditors

To the Advisory Committee of the
North State Communications Employees' Savings Plus Plan

We were engaged to audit the financial statements and supplemental schedules of the North State Communications Employees' Savings Plus Plan (the "Plan") as of December 31, 2009 and 2008, and for the years then ended, as listed in the accompanying table of contents. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Notes 5 and 6, which was certified by BB&T Corporation, the Trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the Trustee as of and for the years ended December 31, 2009 and 2008, that the information provided to the plan administrator by the Trustee is complete and accurate.

As discussed in Note 2 to the financial statements, subsequent to the issuance of our report, dated July 7, 2009, on the 2008 financial statements, management discovered certain errors that resulted in an overstatement of reported assets at December 31, 2008 and an understatement of net depreciation in plan assets for the year ended December 31, 2008. Management has restated the 2008 financial statements to correct these errors.

Because of the significance of the information that we did not audit, we are unable to, and do not express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by BB&T Corporation, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Bauknight Pietras + Stormer, P.A.

September 1, 2010

North State Communications
Employees' Savings Plus Plan
Statements of Net Assets Available for Plan Benefits

	December 31,	
	2009	2008 (as Restated)
Assets		
Cash and cash equivalents	\$ 87,250	\$ 79,965
Investments at fair value:		
Common collective trust	10,849,625	12,374,423
Mutual funds	30,550,582	24,387,026
Total assets	41,487,457	36,841,414
Liabilities		
Benefit claims payable	--	9,502
Net assets available for plan benefits at fair value	41,487,457	36,831,912
Adjustment from fair value to contract value for fully benefit-responsive investment contract	526,761	1,201,466
Net assets available for plan benefits	\$ 42,014,218	\$ 38,033,378

See accompanying notes.

North State Communications
Employees' Savings Plus Plan
Statements of Changes in Net Assets Available for Plan Benefits

	Years Ended December 31,	
	2009	2008
		(as Restated)
Additions to (subtractions from) net assets attributed to:		
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	\$ 5,523,499	\$ (13,261,020)
Interest and dividend income	1,069,514	1,735,181
	<u>6,593,013</u>	<u>(11,525,839)</u>
Contributions:		
Employer	264,203	1,062,619
Participant, including rollovers	1,504,185	1,558,887
Total additions (subtractions), net	<u>8,361,401</u>	<u>(8,904,333)</u>
Deductions from net assets attributed to:		
Benefits paid to participants, including rollovers	4,306,884	3,435,796
Corrective distributions	--	8,166
Administrative expenses	73,677	--
Total deductions	<u>4,380,561</u>	<u>3,443,962</u>
Net change	3,980,840	(12,348,295)
Net assets available for plan benefits, beginning	<u>38,033,378</u>	<u>50,381,673</u>
Net assets available for plan benefits, ending	<u><u>\$ 42,014,218</u></u>	<u><u>\$ 38,033,378</u></u>

See accompanying notes.

North State Communications Employees' Savings Plus Plan
Notes to Financial Statements
December 31, 2009 and 2008

1. Description of Plan

The following description of North State Communications Employees' Savings Plus Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan which provides retirement benefits to certain employees of North State Telephone Company (the "Company"). Eligibility to participate in the Plan is based on attainment of age twenty-one and completion of one year of service with the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan's net assets are segregated between the profit sharing and 401(k) portions of the Plan.

Contributions

Participants may contribute from 2% to 30% of their pretax annual compensation, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investments of their contributions into various investment options offered by the Plan. The Company makes matching contributions to each participant's account of 25% of the amount of the individual participant's contribution, up to 6% of total compensation.

Vesting

Participants are vested immediately in their participant contributions plus any earnings and appreciation thereon. For participants whose employment is terminated prior to normal retirement age for any reason other than death or disability, vesting in all Company contributions, plus earnings and appreciation, is in accordance with the following schedule:

<u>Years of Service</u>	<u>Vesting Percentage</u>
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Years of vesting service are defined as all Plan years during which a participant completes 1,000 or more hours of service to the Company.

North State Communications Employees' Savings Plus Plan
Notes to Financial Statements
December 31, 2009 and 2008

1. Description of Plan (continued)

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contributions, and an allocation of the Plan earnings and investment gains or losses. Allocations are based on investment fund balances comprising each participant's account.

Payment of Benefits

On termination of service, participants with less than \$1,000 receive a lump-sum distribution. Participants with balances greater than \$1,000 may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or may choose among other options provided for in the Plan.

Forfeited Amounts

At December 31, 2009 and 2008, forfeited non-vested amounts totaled \$1,547 and \$3,730 respectively. These funds will be used to reduce future employer contributions.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right, under the Plan, to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

2. Restatement of Financial Statements

Subsequent to the issuance of the Plan's 2008 financial statements, management discovered an error in the reported fair value of its common collective trust (a fully benefit responsive investment contract) as well as a resulting error in the calculation of the adjustment from fair value to contract value. The accompanying 2008 financial statements have been restated to correct these errors.

The following table summarizes the changes made to the previously issued 2008 financial statements:

	December 31, 2008		December 31, 2008
	as Previously		as Restated
	Reported	Adjustments	
Statements of Net Assets Available for Plan Benefits:			
Common collective trust	\$ 13,575,889	\$ (1,201,466)	\$ 12,374,423
Adjustment from fair value to contract value for fully benefit-responsive investment contract	1,318,120	(116,654)	1,201,466
Statements of Changes in Net Assets Available for Plan Benefits:			
Net depreciation in fair value of investments	(11,942,900)	(1,318,120)	(13,261,020)

North State Communications Employees' Savings Plus Plan
Notes to Financial Statements
December 31, 2009 and 2008

3. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP").

New Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 168 "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles—a replacement of FASB Standard No. 162" ("SFAS 168"). SFAS 168 replaces the hierarchy of GAAP with two levels of GAAP: authoritative and non-authoritative. On July 1, 2009, the FASB Accounting Standards Codification ("FASB ASC") became the single source of authoritative nongovernmental GAAP, except for rules and interpretive releases of the Securities and Exchange Commission. All other non-grandfathered accounting literature became non-authoritative. The adoption of SFAS 168 did not have any impact on the Plan's financial statements. As a result of the adoption of SFAS 168, all references to GAAP now refer to the FASB ASC.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan may invest in various types of investment securities. Investment securities are exposed to various risks, including interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values in investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for plan benefits.

Cash and Cash Equivalents

Cash and cash equivalents consist of funds held in money market accounts. Cash and equivalents are carried at cost, which approximates fair value.

North State Communications Employees' Savings Plus Plan
Notes to Financial Statements
December 31, 2009 and 2008

3. Basis of Presentation and Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The statements of net assets available for benefits present the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statements of changes in net assets available for benefits are prepared on contract value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Administrative Expenses

During 2009, the Plan incurred administrative expenses totaling \$73,677. In prior years all administrative expenses were paid to the record keeper by the Plan through commissions generated by the respective mutual funds.

Payment of Benefits

Benefits are recorded when paid.

4. Unallocated Assets

Approximately \$87,000 and \$80,000 of Plan assets had not yet been allocated to participants as of December 31, 2009 and 2008, respectively.

5. Fair Value Measurements

GAAP 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; and Level 3 inputs to the valuation methodology are unobservable. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 3 inputs were used by the Plan, and Level 2 inputs were only used when Level 1 inputs were not available.

North State Communications Employees' Savings Plus Plan
Notes to Financial Statements
December 31, 2009 and 2008

5. Fair Value Measurements (continued)

The following tables present fair value measurement information for the Plan's investments:

As of December 31, 2009					
	Significant Other				
	Quoted Market Prices (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)		Total
Common collective trust	\$ --	\$ 10,849,625	\$ --	\$	10,849,625
Mutual funds	30,550,582	--	--	\$	30,550,582
Total investments	\$ 30,550,582	\$ 10,849,625	\$ --	\$	41,400,207

As of December 31, 2008					
	Significant Other				
	Quoted Market Prices (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)		Total
Common collective trust	\$ --	\$ 12,374,423	\$ --	\$	12,374,423
Mutual funds	24,387,026	--	--	\$	24,387,026
Total investments	\$ 24,387,026	\$ 12,374,423	\$ --	\$	36,761,449

Level 1 Fair Value Measurements- The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year-end.

Level 2 Fair Value Measurements- Common collective trust funds are stated at fair value as determined by the issuer of the common collective trust funds based on the fair market value of the underlying investments.

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

North State Communications Employees' Savings Plus Plan
Notes to Financial Statements
December 31, 2009 and 2008

6. Investments

Individual investments (all of which are participant directed and which have been certified by BB&T Corporation, the Plan's Trustee) that represent 5% or more of the Plan's net assets available for Plan benefits at December 31, 2009 and 2008 are as follows:

	2009	2008
SEI Stable Asset Fund	\$ 10,849,625	\$ 12,374,423
Vanguard Wellington Fund	6,952,035	--
American Fundamental Investors Fund	6,704,761	5,253,971
Oppenheimer Global A	6,154,398	--
American Growth Fund	5,793,096	4,429,374
American Capital World Growth and Income	3,605,957	2,653,225
Dodge and Cox Balanced Fund	--	5,665,197
Pimco Total Return Fund	--	5,631,995
Other investments	1,340,335	753,264
	<hr/>	<hr/>
Total investments at fair value	\$ 41,400,207	\$ 36,761,449

During 2009 and 2008, the Plan's investments (including investments bought, sold, and held during the year) appreciated (depreciated) in value by \$5,523,499 and (\$13,261,020), respectively, as reported by the Trustee.

7. Parties-in-Interest Transactions

Certain Plan investments include shares in money market funds managed by BB&T Corporation, the Plan's trustee, therefore qualifying these transactions as party-in-interest.

8. Income Tax Status

The Plan obtained its latest determination letter on October 13, 1993 in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

During 2009, the Plan was formally amended to conform to recent regulatory pronouncements.

North State Communications Employees' Savings Plus Plan
Notes to Financial Statements
December 31, 2009 and 2008

9. Reconciliation of Financial Statements to Schedule H of Form 5500

	December 31,	
	2009	2008
Net assets available for benefits per the financial statements	\$ 42,014,218	\$ 38,033,378
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	(526,761)	--
Net assets available for benefits per Form 5500	<u>\$ 41,487,457</u>	<u>\$ 38,033,378</u>

	December 31,	
	2009	2008
Increase (decrease) in net assets per the financial statements	\$ 3,980,840	\$ (12,348,295)
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	(526,761)	--
Net increase (decrease) per Form 5500	<u>\$ 3,454,079</u>	<u>\$ (12,348,295)</u>

10. Subsequent Events

Management evaluated events and transactions after December 31, 2009 through September 1, 2010, the date the financial statements were available to be issued, for subsequent events and determined that there were no events to report.

SUPPLEMENTAL SCHEDULES

North State Communications Employees' Savings Plus Plan
Employer ID # 56-0341710 Plan # 002
Schedule of Assets Held for Investment Purposes at End of Year
December 31, 2009

(a) (b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
Common Collective Trust			
SEI Funds	Stable Asset Fund	\$ --	\$ 10,849,625
Mutual Funds			
Vanguard Wellington Fund	Mutual fund	\$ --	\$ 6,952,035
American Fundamental Investors Fund	Mutual fund	--	6,704,761
Oppenheimer Global A	Mutual fund	--	6,154,398
American Growth Fund	Mutual fund	--	5,793,096
American Cap World Growth and Income	Mutual fund	--	3,605,957
Fidelity Spartan Intl. Index Fund	Mutual fund	--	674,830
American Funds Small Cap World Fund	Mutual fund	--	665,505
		<u>\$ --</u>	<u>\$ 30,550,582</u>

Note: The above information was derived from information certified by the trustee. Cost information has been omitted for participant-directed funds.

North State Communications Employees' Savings Plus Plan
Employer ID # 56-0341710 Plan # 002
Schedule of Reportable Transactions
Year Ended December 31, 2009

(a) Identity of Party Involved		(b) Description of Asset	(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) Net Gain or Loss
<u>Category I Transactions</u>									
MISC	AM CAP GI R6		\$ 31.42	\$ --	\$ --	\$ --	\$ 3,233,401	\$ 3,233,401	\$ --
MISC	AM FUND R6		29.58	--	--	--	6,060,545	6,060,545	--
MISC	AM GR FD R6		24.97	--	--	--	5,243,470	5,243,470	--
MISC	AMERICAN CAP		--	24.33	--	--	4,173,703	2,351,785	(1,821,917)
MISC	CAP WRLD G&I		24.38	--	--	--	2,350,095	2,350,095	--
MISC	CAP WRLD G&I		--	31.42	--	--	2,481,480	3,160,979	679,500
MISC	AM F INV R5		23.97	--	--	--	4,853,672	4,853,672	--
MISC	AM F INV R5		--	29.59	--	--	4,879,581	5,969,259	1,089,678
MISC	AME GR OF AM		--	19.81	--	--	5,411,569	4,245,819	(1,165,750)
MISC	DODGE BAL		--	51.14	--	--	8,601,251	5,451,913	(3,149,338)
MISC	FUND INV		--	23.91	--	--	6,312,217	4,853,672	(1,458,545)
MISC	GR OF AMER		19.92	--	--	--	4,245,819	4,245,819	--
MISC	GR OF AMER		--	24.94	--	--	4,181,618	5,170,167	988,549
MISC	WELLINGTON		23.99	--	--	--	5,622,148	5,622,148	--
MISC	WELLINGTON		--	27.37	--	--	5,697,685	6,442,316	744,631
MISC	WELLINGTON A		47.28	--	--	--	6,533,158	6,533,158	--

Note:

There were no reportable category II, III, or IV transactions.

North State Communications Employees' Savings Plus Plan
Employer ID # 56-0341710 Plan # 002
Schedule of Assets Held for Investment Purposes at End of Year
December 31, 2009

(a) (b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
Common Collective Trust			
SEI Funds	Stable Asset Fund	\$ --	\$ 10,849,625
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Fidelity Spartan Intl. Index Fund	Mutual fund	--	674,830
American Funds Small Cap World Fund	Mutual fund	--	665,505
		<u>\$ --</u>	<u>\$ 30,550,582</u>

Note: The above information was derived from information certified by the trustee. Cost information has been omitted for participant-directed funds.

North State Communications Employees' Savings Plus Plan
Employer ID # 56-0341710 Plan # 002
Schedule of Reportable Transactions
Year Ended December 31, 2009

(a) Identity of Party Involved		(b) Description of Asset	(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) Net Gain or Loss
<u>Category I Transactions</u>									
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MISC	AM FUND R6		29.58	--	--	--	6,060,545	6,060,545	--
MISC	AM GR FD R6		24.97	--	--	--	5,243,470	5,243,470	--
MISC	AMERICAN CAP		--	24.33	--	--	4,173,703	2,351,785	(1,821,917)
MISC	CAP WRLD G&I		24.38	--	--	--	2,350,095	2,350,095	--
MISC	CAP WRLD G&I		--	31.42	--	--	2,481,480	3,160,979	679,500
MISC	AM F INV R5		23.97	--	--	--	4,853,672	4,853,672	--
MISC	AM F INV R5		--	29.59	--	--	4,879,581	5,969,259	1,089,678
MISC	AME GR OF AM		--	19.81	--	--	5,411,569	4,245,819	(1,165,750)
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Note:

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