

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) ____	
B This return/report is:	☐ the first return/report;	☐ the final return/report;	
	☐ an amended return/report;	☐ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☐		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>FLA ORTHOPEDICS, INC. 401K PLAN</u>	1b Three-digit plan number (PN) ▶	<u>001</u>	
	1c Effective date of plan	<u>01/01/1995</u>	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>FLA ORTHOPEDICS, INC.</u> <u>2281 CORPORATE WAY</u> <u>MIRAMAR, FL 33025-7810</u>	2b Employer Identification Number (EIN) <u>59-1635321</u>	2c Sponsor's telephone number <u>954-704-4484</u>	2d Business code (see instructions) <u>339110</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/04/2010	ERIC WALTERS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with incorrect/unrecognized electronic signature.	10/04/2010	GEORGIA OAKES
	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") FLA ORTHOPEDICS, INC. 2281 CORPORATE WAY MIRAMAR, FL 33025-7810	3b Administrator's EIN 59-1635321 3c Administrator's telephone number 954-704-4484
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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	170
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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	19
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	64
d Subtotal. Add lines 6a , 6b , and 6c	6d	83
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	83
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	81
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	13

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2F 2G 2J 2K 3D

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

9a Plan funding arrangement (check all that apply) (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) ☒ 1 **A** (Insurance Information)
 (4) ☐ **C** (Service Provider Information)
 (5) ☒ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

<div>SCHEDULE A (Form 5500) <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>	<div>Insurance 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> <div>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</div>	<div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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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 FLA ORTHOPEDICS, INC. 401K PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500. FLA ORTHOPEDICS, INC.	D Employer Identification Number (EIN) 59-1635321	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions	Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
ING LIFE INSURANCE AND ANNUITY COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
71-0294708	86509	ZH9014	83	01/01/2009	12/31/2009

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.
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(a) Total amount of commissions paid	(b) Total amount of fees paid
8103	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
NFP SECURITIES INC. 1250 S CAPITAL OF TX HWY, STE 125 AUSTIN, TX 78746

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
8103			3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
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(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	440845
5 Current value of plan's interest under this contract in separate accounts at year end	5	708867

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ **GROUP FUNDING AGREEMENT**

b Balance at the end of the previous year	7b	554768
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c Additions: (1) Contributions deposited during the year	7c(1)	72286	
(2) Dividends and credits	7c(2)		
(3) Interest credited during the year	7c(3)	15365	
(4) Transferred from separate account	7c(4)	171677	
(5) Other (specify below)	7c(5)	8869	

▶ **LOAN REPAYMENTS**

(6) Total additions	7c(6)	268197
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d Total of balance and additions (add b and c(6))	7d	822965
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	374808	
(2) Administration charge made by carrier	7e(2)	313	
(3) Transferred to separate account	7e(3)		
(4) Other (specify below)	7e(4)	2400	

▶ **LOAN ISSUES**

(5) Total deductions	7e(5)	377521
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f Balance at the end of the current year (subtract e(5) from d)	7f	445444
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

<div>SCHEDULE D</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div>		<div>DFE/Participating Plan 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>		<div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009					
A Name of plan FLA ORTHOPEDICS, INC. 401K PLAN				B Three-digit plan number (PN) ▶ 001	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 FLA ORTHOPEDICS, INC.				D Employer Identification Number (EIN) 59-1635321	
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)					
a Name of MTIA, CCT, PSA, or 103-12 IE: VARIABLE ANNUITY ACCOUNT D					
b Name of sponsor of entity listed in (a): ING LIFE INSURANCE AND ANNUITY CO					
c EIN-PN 71-0294708-000		d Entity code P		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 708867	
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)	
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)	
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)	
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)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:					
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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,	

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

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

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan FLA ORTHOPEDICS, INC. 401K PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 FLA ORTHOPEDICS, INC.	D Employer Identification Number (EIN) 59-1635321	

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)	52880	27836
(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)	1163064	708867
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	554768	445444
(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	1770712	1182147

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	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	1770712	1182147
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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) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	27455	
(B) Participants	2a(1)(B)	107320	
(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)		134775
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)	2900	
(F) Other	2b(1)(F)	15365	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		18265
(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)		0
(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)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		136517
(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		194
d Total income. Add all income amounts in column (b) and enter total.....	2d		289751

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	877741	
(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)		877741
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)	575	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		575
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		878316

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-588565
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: MORRISON, BROWN, ARGIZ & FARRA LLP

(2) EIN: 01-0720052

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.			

- 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>FLA ORTHOPEDICS, INC. 401K 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>FLA ORTHOPEDICS, INC.</u>	D Employer Identification Number (EIN) <u>59-1635321</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
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>71-0294708</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

FLA ORTHOPEDICS, INC. 401(K) PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008



FLA ORTHOPEDICS, INC. 401(K) PLAN

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
FLA Orthopedics, Inc. 401(K) Plan

We were engaged to audit the financial statements and supplemental schedules of FLA Orthopedics, Inc. 401(K) Plan ("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 NOTE 7, which was certified by ING Life Insurance and Annuity Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the custodian as of and for the years ended December 31, 2009 and 2008, that the information provided to the Plan administrator by the custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, 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 schedules, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Morrison, Brown, Argiz & Farra

Fort Lauderdale, Florida
July 16, 2010

FLA ORTHOPEDICS, INC. 401(K) PLAN

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31,**

ASSETS	2009	2008
Investments, at fair value:		
Pooled separate accounts	\$ 708,867	\$ 1,163,064
Insurance company group contract	440,845	573,860
Participant loans	<u>27,836</u>	<u>52,880</u>
TOTAL INVESTMENTS	<u>1,177,548</u>	<u>1,789,804</u>
Receivables:		
Participant contributions	3,022	11,670
Employer contributions	<u>577</u>	<u>3,191</u>
TOTAL RECEIVABLES	<u>3,599</u>	<u>14,861</u>
TOTAL ASSETS AND NET ASSETS AVAILABLE FOR BENEFITS, AT FAIR VALUE	1,181,147	1,804,665
ADJUSTMENT FROM FAIR VALUE TO CONTRACT VALUE FOR FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACTS	<u>4,599</u>	<u>(19,092)</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 1,185,746</u>	<u>\$ 1,785,573</u>

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

FLA ORTHOPEDICS, INC. 401(K) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31,

	2009	2008
ADDITIONS (DELETIONS)		
Additions (deletions) to net assets attributed to:		
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	\$ 136,517	\$ (640,403)
Interest	18,265	15,966
Other income	<u>194</u>	<u>440</u>
	<u>154,976</u>	<u>(623,997)</u>
Contributions:		
Participants	98,672	221,038
Employer	<u>24,841</u>	<u>62,756</u>
	<u>123,513</u>	<u>283,794</u>
TOTAL ADDITIONS (DELETIONS)	<u>278,489</u>	<u>(340,203)</u>
DEDUCTIONS:		
Deductions from net assets attributed to:		
Benefits paid to participants	877,741	454,666
Administrative fees	<u>575</u>	<u>1,325</u>
TOTAL DEDUCTIONS	<u>878,316</u>	<u>455,991</u>
NET DECREASE	(599,827)	(796,194)
NET ASSETS AVAILABLE FOR BENEFITS:		
BEGINNING OF YEAR	<u>1,785,573</u>	<u>2,581,767</u>
END OF YEAR	<u>\$ 1,185,746</u>	<u>\$ 1,785,573</u>

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

FLA ORTHOPEDICS, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

1. DESCRIPTION OF PLAN

The following description of the FLA Orthopedics, Inc. ("Company") 401(k) Plan ("Plan") provides only general information. Reference to the Plan agreement should be made for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of the Company and companies related by virtue of common control, who have completed nine months of continuous service. Effective January 1, 2009, employees who have completed nine months of continuous service will be able to participate in the Plan after the attainment of age 21. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Plan Benefits and Participant Accounts

An employee who has met the eligibility requirements will enter the Plan as of the first day of the Plan year and the first day of the fourth, seventh, and tenth month of the Plan year during which the employee has completed the eligibility requirements. Each participant's account is credited with the participant's contribution and allocations of the Company's contribution and Plan's earnings. Allocations of contributions are based on a participant's compensation, while the allocation of earnings is based on account balances. Forfeitures are applied to reduce Company matching contributions and any Company profit sharing contributions, if applicable.

Upon termination of service, a participant may request to receive a lump-sum amount equal to the vested percentage of his or her account. Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of vesting service. The vested percentage with respect to each participant is as follows:

<u>Accumulated Years of Vesting Service</u>	<u>Vested Percentage</u>
Less than 1 year	0%
1 year	33%
2 years	66%
3 years or more	100%

Contribution Policy

The Company's contribution policies are determined annually by a resolution of the Board of Trustees. As of April 1, 1999, the Company will match 50% of the employee's contribution up to 3%.

Participant Loans

Participants may borrow from their fund accounts up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates commensurate with local prevailing rates. Principal and interest is paid ratably through monthly payroll deductions.

Tax Status

The Plan is exempt from income taxes under the Internal Revenue Code Section 401(a) and, accordingly, generally would not incur income taxes or have any unrecognized tax benefits. The Plan has adopted a standardized plan, which obtained an Internal Revenue Service ("IRS") letter on March 31, 2008, in which the IRS stated that the form of the Plan was acceptable under Section 401 of the Internal Revenue Code. The Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. As a result, the financial statements do not reflect a provision for income taxes.

Payment of Benefits

Benefits are recorded as deductions from net assets available for Plan benefits when paid. A participant's vested account balance is payable upon termination, normal retirement, disability or death. Payments are received in a lump sum amount.

FLA ORTHOPEDICS, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FASB Accounting Standards Codification

On July 1, 2009, the Financial Accounting Standards Board ("FASB") issued "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles," which establishes the FASB Accounting Standards Codification (the "ASC") as the source of authoritative principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). This standard is effective for financial statements issued for interim and annual periods ending after September 15, 2009.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Contract Value

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 Statement of Net Assets Available for Benefits presents 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 Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Investment Valuation and Income Recognition

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

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions, which affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Administrative Expenses

The Plan agreement allows for all administrative expenses to be paid by the Plan and its related trust, or the Company.

Adoption of Accounting Pronouncements

Subsequent Events

In May 2009, the FASB issued an accounting standard which establishes general standards of accounting for and disclosure of events that occur after the statement of net assets available for benefits date but before financial statements are issued or available to be issued. The standard was adopted for the year ending December 31, 2009. The Plan has evaluated subsequent events through July 16, 2010 which is the date the financial statements were available to be issued.

FLA ORTHOPEDICS, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of Accounting Pronouncements (continued)

Accounting for Uncertainty in Income Taxes

On January 1, 2009, the Plan adopted the provisions of an accounting standard, which clarifies the accounting for uncertainty in income taxes recognized in a plan's financial statements in accordance with existing accounting guidance on income taxes, and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This standard also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Interest and penalties on tax liabilities, if any, would be recorded in administrative expenses. No liability for unrecognized tax benefits was recorded as a result of implementing this standard.

Fair Value Measurements

In September 2009, the FASB issued an accounting standard update which amends existing guidance on fair value measurements and disclosures. The update allows an entity to measure the fair value of an investment that has no readily determinable fair market value, on the basis of the net asset value per share as provided by the investee. The update is effective for annual and interim periods beginning after December 15, 2009, with early adoption permitted, and is not expected to have an effect on the Plan's financial statements.

Recent Accounting Pronouncements

Fair Value Measurements

In January 2010, the FASB issued an accounting standard update on fair value measurements and disclosures. The update requires more robust disclosures about (1) the different classes of assets and liabilities measured at fair value, (2) the valuation techniques and inputs used, (3) the activity in Level 3 fair value measurements, and (4) the transfers between Levels 1, 2, and 3. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. This update is not expected to have an effect on the Plan's financial statements.

3. INVESTMENTS

The following presents investments that represent five percent or more of the Plan's net assets at December 31:

	2009	2008
American Century Equity Income	\$ 72,983	\$ 131,242
ING Fixed Account 2005 Regular	440,845	573,860
ING Solution 2035 Port-Svc	65,704	*
Mutual Global Discovery Fund	59,002	92,936
Pioneer Fund	101,330	163,670
The Growth FD of America	98,383	153,785
VVIF – Diversified Value Port	105,189	250,600

* Investment did not represent five percent or more of the Plan's net assets.

During 2009 and 2008, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value from registered investments companies by \$136,517 and \$(640,403), respectively.

4. TRANSACTIONS WITH PARTIES-IN-INTEREST

Certain Plan investments are shares of registered investment companies managed by ING Life Insurance and Annuity Company from which it earns management fees. ING Life Insurance and Annuity Company is the custodian as defined in the Plan; therefore, these transactions qualify as party-in-interest.

FLA ORTHOPEDICS, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

5. FAIR VALUE MEASUREMENTS

The FASB ASC, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the FASB ASC are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 Inputs to the valuation methodology include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Pooled Separate Accounts: Valued at fair value. Pooled separate accounts are made up of a wide variety of underlying investments such as equities, preferred stock, bonds, real estate and mutual funds. The net asset value of pooled separate accounts is based on the market value of its underlying investments. The pooled separate accounts net asset value is not a publicly-quoted price in an active market. (See NOTE 6)

Insurance Company Group Contract: Valued at fair value by discounting the related cash flows based on current yields of similar investments with comparable durations considering the credit-worthiness of the issuer. (See NOTE 6)

Participant loans: Valued at amortized cost, which approximates fair value.

The preceding methods described may produce a fair value calculation 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.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009 and 2008.

Description	Fair Value 12/31/2009	Fair Value Measurements at Reporting Date Using:		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Pooled separate accounts	\$ 708,867	\$ -	\$ 708,867	\$ -
Insurance company group contract	440,845	-	-	440,845
Participant loans	27,836	-	-	27,836
Total assets at fair value	<u>\$ 1,177,548</u>	<u>\$ -</u>	<u>\$ 708,867</u>	<u>\$ 468,681</u>

FLA ORTHOPEDICS, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

5. FAIR VALUE MEASUREMENTS (CONTINUED)

Description	Fair Value 12/31/2008	Fair Value Measurements at Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Pooled separate accounts	\$ 1,163,064	\$ -	\$ 1,163,064	\$ -
Insurance company group contract	573,860	-	-	573,860
Participant loans	52,880	-	-	52,880
Total assets at fair value	<u>\$ 1,789,804</u>	<u>\$ -</u>	<u>\$ 1,163,064</u>	<u>\$ 626,740</u>

Level 3 Gains and Losses

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

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Year Ended December 31, 2009	
	Insurance Company Group Contract	Participant Loans
Balance, beginning of year	\$ 573,860	\$ 52,880
Unrealized gains/(losses) relating to instruments still held at the reporting date	(23,691)	-
Purchases, sales, issuances and settlements, net	(124,689)	-
Interest credited	15,365	194
Loan issuances	-	10,570
Loan repayments	-	(20,318)
Deemed distributions	-	(15,490)
Balance, end of year	<u>\$ 440,845</u>	<u>\$ 27,836</u>

	Year Ended December 31, 2008	
	Insurance Company Group Contract	Participant Loans
Balance, beginning of year	\$ 295,935	\$ 59,627
Unrealized gains/(losses) relating to instruments still held at the reporting date	23,636	-
Purchases, sales, issuances and settlements, net	241,808	-
Interest credited	12,481	440
Loan issuances	-	27,975
Loan repayments	-	(22,582)
Deemed distributions	-	(12,580)
Balance, end of year	<u>\$ 573,860</u>	<u>\$ 52,880</u>

FLA ORTHOPEDICS, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

6. GROUP ANNUITY INSURANCE CONTRACT

The Plan entered into a group annuity investment contract with ING Life Insurance and Annuity Company, which receives the contributions and deposits them into either fixed accounts or into pooled separate accounts according to the participant's election. ING fixed accounts are reported at contract value. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Contributions allocated to the fixed accounts are held in the ING general account. Fixed accounts are credited with declared rates of interest and are subject to a minimum rate. The Plan's group annuity contract with ING is "fully benefit-responsive." Therefore, for financial statement purposes, this contract must be carried at contract value. The Statements of Net Assets Available for Benefits presents 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 is prepared on a contract value basis.

7. INFORMATION PREPARED AND CERTIFIED BY THE CUSTODIAN

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the custodian, ING Life Insurance and Annuity Company, has certified that the following data included in the accompanying financial statements and supplemental schedules is complete and accurate.

	<u>December 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
Investments, at fair value:		
Pooled separate accounts	\$ 708,867	\$ 1,163,064
Insurance company group contract	<u>440,845</u>	<u>573,860</u>
Total investments, at fair value	<u>\$ 1,149,712</u>	<u>\$ 1,736,924</u>
	<u>Year Ended</u> <u>December 31,</u> <u>2009</u>	<u>Year Ended</u> <u>December 31,</u> <u>2008</u>
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	\$ 136,517	\$ (640,403)
Interest	18,265	15,966
Other income	<u>194</u>	<u>440</u>
Total investment income (loss)	<u>\$ 154,976</u>	<u>\$ (623,997)</u>

8. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

9. PLAN TERMINATION

The Employer has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

The Board of Directors of FLA Orthopedics, Inc., the Plan's sponsor, in October 2008, notified employees of its intentions to terminate operations of its Miramar Plant. As a result of the Miramar Plant closure in 2009, the Company has determined that a partial termination of the Plan occurred in 2009. All affected participants were fully vested in their accounts upon the closure of this plant.

FLA ORTHOPEDICS, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

10. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2009:

Net assets available for benefits per the financial statements	\$ 1,185,746
Less: Participants' contributions receivable as of December 31, 2009	(3,022)
Employer contributions receivable as of December 31, 2009	<u>(577)</u>
Net assets available for benefits per the Form 5500	<u>\$ 1,182,147</u>

The following is a reconciliation of the net change in assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2009.

Change in net assets available for benefits per the financial statements	\$ (599,827)
Less: Participants' contributions receivable as of December 31, 2009	(3,022)
Employer contributions receivable as of December 31, 2009	(577)
Add: Participants' contributions receivable as of December 31, 2008	11,670
Employer contributions receivable as of December 31, 2008	<u>3,191</u>
Change in net assets available for benefits per the Form 5500	<u>\$ (588,565)</u>

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2008:

Net assets available for benefits per the financial statements	\$ 1,785,573
Less: Participants' contributions receivable as of December 31, 2008	(11,670)
Employer contributions receivable as of December 31, 2008	<u>(3,191)</u>
Net assets available for benefits per the Form 5500	<u>\$ 1,770,712</u>

The following is a reconciliation of the net change in assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2008.

Change in net assets available for benefits per the financial statements	\$ (796,194)
Less: Participants' contributions receivable as of December 31, 2008	(11,670)
Employer contributions receivable as of December 31, 2008	(3,191)
Add: Participants' contributions receivable as of December 31, 2007	32,277
Employer contributions receivable as of December 31, 2007	<u>8,489</u>
Change in net assets available for benefits per the Form 5500	<u>\$ (770,289)</u>

11. SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2009, all employees terminated as a result of the Miramar Plant closure (NOTE 9) whose vested account balances did not exceed \$5,000 received a lump sum distribution of their vested account balance, in accordance with the Plan document. Additionally, all terminated employees whose vested account balance exceeded \$5,000 have received notification from the Plan outlining the distribution options of their account balances.

SUPPLEMENTAL SCHEDULES

FLA ORTHOPEDICS, INC. 401(K) PLAN

SCHEDULE H, 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2009
EIN # 59-1635321
PLAN # 001

(a)(b) IDENTITY OF ISSUE, BORROWER, LESSOR, OR SIMILAR PARTY	(c) DESCRIPTION OF INVESTMENT	(d) COST**	(e) CURRENT VALUE
*ING Life Insurance & Annuity Company	ING Fixed Account (Insurance company group contract)	\$	440,845
*ING Life Insurance & Annuity Company	ING Baron SM Cap GR Port		9,313
*ING Life Insurance & Annuity Company	ING GNMA Income Fund		4,284
*ING Life Insurance & Annuity Company	ING JPMorgan MD CP Val		3,608
*ING Life Insurance & Annuity Company	ING Solution 2015 Port-Svc		35,420
*ING Life Insurance & Annuity Company	ING Solution 2025 Port-Svc		28,592
*ING Life Insurance & Annuity Company	ING Solution 2035 Port-Svc		65,704
*ING Life Insurance & Annuity Company	ING Solution 2045 Port-Svc		6,232
*ING Life Insurance & Annuity Company	ING Solution Income Port-Svc		869
*ING Life Insurance & Annuity Company	ING T. Rowe Price GR Eq Port		27,862
*ING Life Insurance & Annuity Company	ING T. Rowe Price CAPAPP Port-Svc		39,207
*ING Life Insurance & Annuity Company	ING VP Intermediate BD Port		3,576
ING Life Insurance & Annuity Company	American Century Equity Income		72,983
ING Life Insurance & Annuity Company	Mutual Global Discovery Fund		59,002
ING Life Insurance & Annuity Company	Pioneer Fund		101,330
ING Life Insurance & Annuity Company	Pioneer High Yield Fund		33,969
ING Life Insurance & Annuity Company	Pioneer Strategic Income Fund		10,644
ING Life Insurance & Annuity Company	The Growth FD of America		98,383
ING Life Insurance & Annuity Company	VVIF-Diversified Value Port		105,189
ING Life Insurance & Annuity Company	Washington Mutual Investors		2,700
Participant loans	Loans to plan participants with interest rates between 4.25% and 9.25% through 2014		<u>27,836</u>
			<u>\$ 1,177,548</u>

* Indicates party-in-interest

** Department of Labor Regulation 2520.103-11 (d) allows the exclusion of participant directed transactions from historical cost entry on the schedule of assets (held at end of year).

FLA ORTHOPEDICS, INC. 401(K) PLAN

SCHEDULE H, 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
 DECEMBER 31, 2008
 EIN # 59-1635321
 PLAN # 001

(a)(b) IDENTITY OF ISSUE, BORROWER, LESSOR, OR SIMILAR PARTY	(c) DESCRIPTION OF INVESTMENT	(d) COST**	(e) CURRENT VALUE
*ING Life Insurance & Annuity Company	ING Fixed Account (Insurance company group contract)	\$	573,860
*ING Life Insurance & Annuity Company	ING Baron SM Cap GR Port		21,270
*ING Life Insurance & Annuity Company	ING GNMA Income Fund		7,209
*ING Life Insurance & Annuity Company	ING JPMorgan MD CP Val		8,856
*ING Life Insurance & Annuity Company	ING Solution 2015 Port-Svc		26,325
*ING Life Insurance & Annuity Company	ING Solution 2025 Port-Svc		34,182
*ING Life Insurance & Annuity Company	ING Solution 2035 Port-Svc		66,154
*ING Life Insurance & Annuity Company	ING Solution 2045 Port-Svc		13,938
*ING Life Insurance & Annuity Company	ING Solution Income Port-Svc		750
*ING Life Insurance & Annuity Company	ING T. Rowe Price GR Eq Port		50,966
*ING Life Insurance & Annuity Company	ING T. Rowe Price CAPAPP Port-Svc		55,733
*ING Life Insurance & Annuity Company	ING VP Intermediate BD Port		12,603
ING Life Insurance & Annuity Company	American Century Equity Income		131,242
ING Life Insurance & Annuity Company	Mutual Global Discovery Fund		92,936
ING Life Insurance & Annuity Company	Pioneer Fund		163,670
ING Life Insurance & Annuity Company	Pioneer High Yield Fund		44,898
ING Life Insurance & Annuity Company	Pioneer Strategic Income Fund		21,911
ING Life Insurance & Annuity Company	The Growth FD of America		153,784
ING Life Insurance & Annuity Company	VVIF-Diversified Value Port		250,600
ING Life Insurance & Annuity Company	Washington Mutual Investors		6,037
Participant loans	Loans to plan participants with interest rates between 4.75% and 9.25% through 2013		52,880
		\$	<u>1,789,804</u>

* Indicates party-in-interest

** Department of Labor Regulation 2520.103-11 (d) allows the exclusion of participant directed transactions from historical cost entry on the schedule of assets (held at end of year).

Attachment to 2009 Form 5500
Schedule H, line 4i - Schedule of Assets
(Held at End of Year)
FLA Orthopedics, Inc. 401(k) Plan
EIN# 59- 1635321
Plan# 001
As Of December 31, 2009

(a) (b) Identity of issue, borrower, lessor or similar party	(c) Description of investments including maturity date, rate of interest, collateral, par, or maturity date	(d)Cost	(e) Current Value
AMERICAN CENTURY FUNDS	AM CENTURY EQUITY INCOME		\$72,984
AMERICAN FUNDS	American Funds Growth Fnd R3		\$98,383
* ING Life Insurance And Annuity Company	ING BARON SM CAP GR PORT		\$9,313
* ING Life Insurance And Annuity Company	ING FIXED ACCOUNT 2005 REGULAR		\$445,444
* ING Life Insurance And Annuity Company	ING GNMA INCOME FUND		\$4,284
* ING Life Insurance And Annuity Company	ING Intmdte Bnd PrtCI I		\$3,576
* ING Life Insurance And Annuity Company	ING JPMORGAN MD CP VAL		\$3,608
* ING Life Insurance And Annuity Company	ING Solution 2015 Port-Svc		\$35,419
* ING Life Insurance And Annuity Company	ING Solution 2025 Port-Svc		\$28,592
* ING Life Insurance And Annuity Company	ING Solution 2035 Port-Svc		\$65,704
* ING Life Insurance And Annuity Company	ING Solution 2045 Port-Svc		\$6,232
* ING Life Insurance And Annuity Company	ING Solution Income Port-Svc		\$869
* ING Life Insurance And Annuity Company	ING T.ROWE PR GR EQ PORT		\$27,861
* ING Life Insurance And Annuity Company	ING TROWEPRICE CAPAPP PORT-SVC		\$39,207
FRANKLIN/TEMPLETON FUNDS	Mutual Global Discovery Fnd-R		\$59,002
PIONEER FUNDS	PIONEER FUND		\$101,330
PIONEER FUNDS	PIONEER HIGH YIELD FUND		\$33,969
PIONEER FUNDS	PIONEER STRATEGIC INCOME FD		\$10,644
VANGUARD FUNDS	VVIF- DIVERSIFIED VALUE PORT		\$105,189
AMERICAN FUNDS	WASHINGTON MUTUAL INVEST		\$2,700
	Participant Loans - Rates 4.25% to 4.25%		\$27,836
	TOTAL		\$1,182,147

* denotes party-in-interest

Column (d) is not required as the Plan's investments are totally participant directed

FLA ORTHOPEDICS, INC. 401(K) PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008



FLA ORTHOPEDICS, INC. 401(K) PLAN

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
FLA Orthopedics, Inc. 401(K) Plan

We were engaged to audit the financial statements and supplemental schedules of FLA Orthopedics, Inc. 401(K) Plan ("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 NOTE 7, which was certified by ING Life Insurance and Annuity Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the custodian as of and for the years ended December 31, 2009 and 2008, that the information provided to the Plan administrator by the custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, 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 schedules, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Morrison, Brown, Argiz & Farra

Fort Lauderdale, Florida
July 16, 2010

FLA ORTHOPEDICS, INC. 401(K) PLAN

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31,**

ASSETS	2009	2008
Investments, at fair value:		
Pooled separate accounts	\$ 708,867	\$ 1,163,064
Insurance company group contract	440,845	573,860
Participant loans	<u>27,836</u>	<u>52,880</u>
TOTAL INVESTMENTS	<u>1,177,548</u>	<u>1,789,804</u>
Receivables:		
Participant contributions	3,022	11,670
Employer contributions	<u>577</u>	<u>3,191</u>
TOTAL RECEIVABLES	<u>3,599</u>	<u>14,861</u>
TOTAL ASSETS AND NET ASSETS AVAILABLE FOR BENEFITS, AT FAIR VALUE	1,181,147	1,804,665
ADJUSTMENT FROM FAIR VALUE TO CONTRACT VALUE FOR FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACTS	<u>4,599</u>	<u>(19,092)</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 1,185,746</u>	<u>\$ 1,785,573</u>

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

FLA ORTHOPEDICS, INC. 401(K) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31,

	2009	2008
ADDITIONS (DELETIONS)		
Additions (deletions) to net assets attributed to:		
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	\$ 136,517	\$ (640,403)
Interest	18,265	15,966
Other income	<u>194</u>	<u>440</u>
	<u>154,976</u>	<u>(623,997)</u>
Contributions:		
Participants	98,672	221,038
Employer	<u>24,841</u>	<u>62,756</u>
	<u>123,513</u>	<u>283,794</u>
TOTAL ADDITIONS (DELETIONS)	<u>278,489</u>	<u>(340,203)</u>
DEDUCTIONS:		
Deductions from net assets attributed to:		
Benefits paid to participants	877,741	454,666
Administrative fees	<u>575</u>	<u>1,325</u>
TOTAL DEDUCTIONS	<u>878,316</u>	<u>455,991</u>
NET DECREASE	(599,827)	(796,194)
NET ASSETS AVAILABLE FOR BENEFITS:		
BEGINNING OF YEAR	<u>1,785,573</u>	<u>2,581,767</u>
END OF YEAR	<u>\$ 1,185,746</u>	<u>\$ 1,785,573</u>

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

FLA ORTHOPEDICS, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

1. DESCRIPTION OF PLAN

The following description of the FLA Orthopedics, Inc. ("Company") 401(k) Plan ("Plan") provides only general information. Reference to the Plan agreement should be made for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of the Company and companies related by virtue of common control, who have completed nine months of continuous service. Effective January 1, 2009, employees who have completed nine months of continuous service will be able to participate in the Plan after the attainment of age 21. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Plan Benefits and Participant Accounts

An employee who has met the eligibility requirements will enter the Plan as of the first day of the Plan year and the first day of the fourth, seventh, and tenth month of the Plan year during which the employee has completed the eligibility requirements. Each participant's account is credited with the participant's contribution and allocations of the Company's contribution and Plan's earnings. Allocations of contributions are based on a participant's compensation, while the allocation of earnings is based on account balances. Forfeitures are applied to reduce Company matching contributions and any Company profit sharing contributions, if applicable.

Upon termination of service, a participant may request to receive a lump-sum amount equal to the vested percentage of his or her account. Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of vesting service. The vested percentage with respect to each participant is as follows:

<u>Accumulated Years of Vesting Service</u>	<u>Vested Percentage</u>
Less than 1 year	0%
1 year	33%
2 years	66%
3 years or more	100%

Contribution Policy

The Company's contribution policies are determined annually by a resolution of the Board of Trustees. As of April 1, 1999, the Company will match 50% of the employee's contribution up to 3%.

Participant Loans

Participants may borrow from their fund accounts up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates commensurate with local prevailing rates. Principal and interest is paid ratably through monthly payroll deductions.

Tax Status

The Plan is exempt from income taxes under the Internal Revenue Code Section 401(a) and, accordingly, generally would not incur income taxes or have any unrecognized tax benefits. The Plan has adopted a standardized plan, which obtained an Internal Revenue Service ("IRS") letter on March 31, 2008, in which the IRS stated that the form of the Plan was acceptable under Section 401 of the Internal Revenue Code. The Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. As a result, the financial statements do not reflect a provision for income taxes.

Payment of Benefits

Benefits are recorded as deductions from net assets available for Plan benefits when paid. A participant's vested account balance is payable upon termination, normal retirement, disability or death. Payments are received in a lump sum amount.

FLA ORTHOPEDICS, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FASB Accounting Standards Codification

On July 1, 2009, the Financial Accounting Standards Board ("FASB") issued "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles," which establishes the FASB Accounting Standards Codification (the "ASC") as the source of authoritative principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). This standard is effective for financial statements issued for interim and annual periods ending after September 15, 2009.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Contract Value

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 Statement of Net Assets Available for Benefits presents 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 Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Investment Valuation and Income Recognition

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

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions, which affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Administrative Expenses

The Plan agreement allows for all administrative expenses to be paid by the Plan and its related trust, or the Company.

Adoption of Accounting Pronouncements

Subsequent Events

In May 2009, the FASB issued an accounting standard which establishes general standards of accounting for and disclosure of events that occur after the statement of net assets available for benefits date but before financial statements are issued or available to be issued. The standard was adopted for the year ending December 31, 2009. The Plan has evaluated subsequent events through July 16, 2010 which is the date the financial statements were available to be issued.

FLA ORTHOPEDICS, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of Accounting Pronouncements (continued)

Accounting for Uncertainty in Income Taxes

On January 1, 2009, the Plan adopted the provisions of an accounting standard, which clarifies the accounting for uncertainty in income taxes recognized in a plan's financial statements in accordance with existing accounting guidance on income taxes, and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This standard also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Interest and penalties on tax liabilities, if any, would be recorded in administrative expenses. No liability for unrecognized tax benefits was recorded as a result of implementing this standard.

Fair Value Measurements

In September 2009, the FASB issued an accounting standard update which amends existing guidance on fair value measurements and disclosures. The update allows an entity to measure the fair value of an investment that has no readily determinable fair market value, on the basis of the net asset value per share as provided by the investee. The update is effective for annual and interim periods beginning after December 15, 2009, with early adoption permitted, and is not expected to have an effect on the Plan's financial statements.

Recent Accounting Pronouncements

Fair Value Measurements

In January 2010, the FASB issued an accounting standard update on fair value measurements and disclosures. The update requires more robust disclosures about (1) the different classes of assets and liabilities measured at fair value, (2) the valuation techniques and inputs used, (3) the activity in Level 3 fair value measurements, and (4) the transfers between Levels 1, 2, and 3. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. This update is not expected to have an effect on the Plan's financial statements.

3. INVESTMENTS

The following presents investments that represent five percent or more of the Plan's net assets at December 31:

	2009	2008
American Century Equity Income	\$ 72,983	\$ 131,242
ING Fixed Account 2005 Regular	440,845	573,860
ING Solution 2035 Port-Svc	65,704	*
Mutual Global Discovery Fund	59,002	92,936
Pioneer Fund	101,330	163,670
The Growth FD of America	98,383	153,785
VVIF – Diversified Value Port	105,189	250,600

* Investment did not represent five percent or more of the Plan's net assets.

During 2009 and 2008, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value from registered investments companies by \$136,517 and \$(640,403), respectively.

4. TRANSACTIONS WITH PARTIES-IN-INTEREST

Certain Plan investments are shares of registered investment companies managed by ING Life Insurance and Annuity Company from which it earns management fees. ING Life Insurance and Annuity Company is the custodian as defined in the Plan; therefore, these transactions qualify as party-in-interest.

FLA ORTHOPEDICS, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

5. FAIR VALUE MEASUREMENTS

The FASB ASC, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the FASB ASC are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 Inputs to the valuation methodology include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Pooled Separate Accounts: Valued at fair value. Pooled separate accounts are made up of a wide variety of underlying investments such as equities, preferred stock, bonds, real estate and mutual funds. The net asset value of pooled separate accounts is based on the market value of its underlying investments. The pooled separate accounts net asset value is not a publicly-quoted price in an active market. (See NOTE 6)

Insurance Company Group Contract: Valued at fair value by discounting the related cash flows based on current yields of similar investments with comparable durations considering the credit-worthiness of the issuer. (See NOTE 6)

Participant loans: Valued at amortized cost, which approximates fair value.

The preceding methods described may produce a fair value calculation 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.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009 and 2008.

Description	Fair Value 12/31/2009	Fair Value Measurements at Reporting Date Using:		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Pooled separate accounts	\$ 708,867	\$ -	\$ 708,867	\$ -
Insurance company group contract	440,845	-	-	440,845
Participant loans	27,836	-	-	27,836
Total assets at fair value	<u>\$ 1,177,548</u>	<u>\$ -</u>	<u>\$ 708,867</u>	<u>\$ 468,681</u>

FLA ORTHOPEDICS, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

5. FAIR VALUE MEASUREMENTS (CONTINUED)

Description	Fair Value 12/31/2008	Fair Value Measurements at Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Pooled separate accounts	\$ 1,163,064	\$ -	\$ 1,163,064	\$ -
Insurance company group contract	573,860	-	-	573,860
Participant loans	52,880	-	-	52,880
Total assets at fair value	\$ 1,789,804	\$ -	\$ 1,163,064	\$ 626,740

Level 3 Gains and Losses

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

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Year Ended December 31, 2009	
	Insurance Company Group Contract	Participant Loans
Balance, beginning of year	\$ 573,860	\$ 52,880
Unrealized gains/(losses) relating to instruments still held at the reporting date	(23,691)	-
Purchases, sales, issuances and settlements, net	(124,689)	-
Interest credited	15,365	194
Loan issuances	-	10,570
Loan repayments	-	(20,318)
Deemed distributions	-	(15,490)
Balance, end of year	\$ 440,845	\$ 27,836

	Year Ended December 31, 2008	
	Insurance Company Group Contract	Participant Loans
Balance, beginning of year	\$ 295,935	\$ 59,627
Unrealized gains/(losses) relating to instruments still held at the reporting date	23,636	-
Purchases, sales, issuances and settlements, net	241,808	-
Interest credited	12,481	440
Loan issuances	-	27,975
Loan repayments	-	(22,582)
Deemed distributions	-	(12,580)
Balance, end of year	\$ 573,860	\$ 52,880

FLA ORTHOPEDICS, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

6. GROUP ANNUITY INSURANCE CONTRACT

The Plan entered into a group annuity investment contract with ING Life Insurance and Annuity Company, which receives the contributions and deposits them into either fixed accounts or into pooled separate accounts according to the participant's election. ING fixed accounts are reported at contract value. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Contributions allocated to the fixed accounts are held in the ING general account. Fixed accounts are credited with declared rates of interest and are subject to a minimum rate. The Plan's group annuity contract with ING is "fully benefit-responsive." Therefore, for financial statement purposes, this contract must be carried at contract value. The Statements of Net Assets Available for Benefits presents 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 is prepared on a contract value basis.

7. INFORMATION PREPARED AND CERTIFIED BY THE CUSTODIAN

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the custodian, ING Life Insurance and Annuity Company, has certified that the following data included in the accompanying financial statements and supplemental schedules is complete and accurate.

	<u>December 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
Investments, at fair value:		
Pooled separate accounts	\$ 708,867	\$ 1,163,064
Insurance company group contract	<u>440,845</u>	<u>573,860</u>
Total investments, at fair value	<u>\$ 1,149,712</u>	<u>\$ 1,736,924</u>
	<u>Year Ended</u> <u>December 31,</u> <u>2009</u>	<u>Year Ended</u> <u>December 31,</u> <u>2008</u>
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	\$ 136,517	\$ (640,403)
Interest	18,265	15,966
Other income	<u>194</u>	<u>440</u>
Total investment income (loss)	<u>\$ 154,976</u>	<u>\$ (623,997)</u>

8. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

9. PLAN TERMINATION

The Employer has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

The Board of Directors of FLA Orthopedics, Inc., the Plan's sponsor, in October 2008, notified employees of its intentions to terminate operations of its Miramar Plant. As a result of the Miramar Plant closure in 2009, the Company has determined that a partial termination of the Plan occurred in 2009. All affected participants were fully vested in their accounts upon the closure of this plant.

FLA ORTHOPEDICS, INC. 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

10. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2009:

Net assets available for benefits per the financial statements	\$ 1,185,746
Less: Participants' contributions receivable as of December 31, 2009	(3,022)
Employer contributions receivable as of December 31, 2009	<u>(577)</u>
Net assets available for benefits per the Form 5500	<u>\$ 1,182,147</u>

The following is a reconciliation of the net change in assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2009.

Change in net assets available for benefits per the financial statements	\$ (599,827)
Less: Participants' contributions receivable as of December 31, 2009	(3,022)
Employer contributions receivable as of December 31, 2009	(577)
Add: Participants' contributions receivable as of December 31, 2008	11,670
Employer contributions receivable as of December 31, 2008	<u>3,191</u>
Change in net assets available for benefits per the Form 5500	<u>\$ (588,565)</u>

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2008:

Net assets available for benefits per the financial statements	\$ 1,785,573
Less: Participants' contributions receivable as of December 31, 2008	(11,670)
Employer contributions receivable as of December 31, 2008	<u>(3,191)</u>
Net assets available for benefits per the Form 5500	<u>\$ 1,770,712</u>

The following is a reconciliation of the net change in assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2008.

Change in net assets available for benefits per the financial statements	\$ (796,194)
Less: Participants' contributions receivable as of December 31, 2008	(11,670)
Employer contributions receivable as of December 31, 2008	(3,191)
Add: Participants' contributions receivable as of December 31, 2007	32,277
Employer contributions receivable as of December 31, 2007	<u>8,489</u>
Change in net assets available for benefits per the Form 5500	<u>\$ (770,289)</u>

11. SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2009, all employees terminated as a result of the Miramar Plant closure (NOTE 9) whose vested account balances did not exceed \$5,000 received a lump sum distribution of their vested account balance, in accordance with the Plan document. Additionally, all terminated employees whose vested account balance exceeded \$5,000 have received notification from the Plan outlining the distribution options of their account balances.

SUPPLEMENTAL SCHEDULES

FLA ORTHOPEDICS, INC. 401(K) PLAN

SCHEDULE H, 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2009
EIN # 59-1635321
PLAN # 001

(a)(b) IDENTITY OF ISSUE, BORROWER, LESSOR, OR SIMILAR PARTY	(c) DESCRIPTION OF INVESTMENT	(d) COST**	(e) CURRENT VALUE
*ING Life Insurance & Annuity Company	ING Fixed Account (Insurance company group contract)	\$	440,845
*ING Life Insurance & Annuity Company	ING Baron SM Cap GR Port		9,313
*ING Life Insurance & Annuity Company	ING GNMA Income Fund		4,284
*ING Life Insurance & Annuity Company	ING JPMorgan MD CP Val		3,608
*ING Life Insurance & Annuity Company	ING Solution 2015 Port-Svc		35,420
*ING Life Insurance & Annuity Company	ING Solution 2025 Port-Svc		28,592
*ING Life Insurance & Annuity Company	ING Solution 2035 Port-Svc		65,704
*ING Life Insurance & Annuity Company	ING Solution 2045 Port-Svc		6,232
*ING Life Insurance & Annuity Company	ING Solution Income Port-Svc		869
*ING Life Insurance & Annuity Company	ING T. Rowe Price GR Eq Port		27,862
*ING Life Insurance & Annuity Company	ING T. Rowe Price CAPAPP Port-Svc		39,207
*ING Life Insurance & Annuity Company	ING VP Intermediate BD Port		3,576
ING Life Insurance & Annuity Company	American Century Equity Income		72,983
ING Life Insurance & Annuity Company	Mutual Global Discovery Fund		59,002
ING Life Insurance & Annuity Company	Pioneer Fund		101,330
ING Life Insurance & Annuity Company	Pioneer High Yield Fund		33,969
ING Life Insurance & Annuity Company	Pioneer Strategic Income Fund		10,644
ING Life Insurance & Annuity Company	The Growth FD of America		98,383
ING Life Insurance & Annuity Company	VVIF-Diversified Value Port		105,189
ING Life Insurance & Annuity Company	Washington Mutual Investors		2,700
Participant loans	Loans to plan participants with interest rates between 4.25% and 9.25% through 2014		<u>27,836</u>
			<u>\$ 1,177,548</u>

* Indicates party-in-interest

** Department of Labor Regulation 2520.103-11 (d) allows the exclusion of participant directed transactions from historical cost entry on the schedule of assets (held at end of year).

FLA ORTHOPEDICS, INC. 401(K) PLAN

SCHEDULE H, 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
 DECEMBER 31, 2008
 EIN # 59-1635321
 PLAN # 001

(a)(b) IDENTITY OF ISSUE, BORROWER, LESSOR, OR SIMILAR PARTY	(c) DESCRIPTION OF INVESTMENT	(d) COST**	(e) CURRENT VALUE
*ING Life Insurance & Annuity Company	ING Fixed Account (Insurance company group contract)	\$	573,860
*ING Life Insurance & Annuity Company	ING Baron SM Cap GR Port		21,270
*ING Life Insurance & Annuity Company	ING GNMA Income Fund		7,209
*ING Life Insurance & Annuity Company	ING JPMorgan MD CP Val		8,856
*ING Life Insurance & Annuity Company	ING Solution 2015 Port-Svc		26,325
*ING Life Insurance & Annuity Company	ING Solution 2025 Port-Svc		34,182
*ING Life Insurance & Annuity Company	ING Solution 2035 Port-Svc		66,154
*ING Life Insurance & Annuity Company	ING Solution 2045 Port-Svc		13,938
*ING Life Insurance & Annuity Company	ING Solution Income Port-Svc		750
*ING Life Insurance & Annuity Company	ING T. Rowe Price GR Eq Port		50,966
*ING Life Insurance & Annuity Company	ING T. Rowe Price CAPAPP Port-Svc		55,733
*ING Life Insurance & Annuity Company	ING VP Intermediate BD Port		12,603
ING Life Insurance & Annuity Company	American Century Equity Income		131,242
ING Life Insurance & Annuity Company	Mutual Global Discovery Fund		92,936
ING Life Insurance & Annuity Company	Pioneer Fund		163,670
ING Life Insurance & Annuity Company	Pioneer High Yield Fund		44,898
ING Life Insurance & Annuity Company	Pioneer Strategic Income Fund		21,911
ING Life Insurance & Annuity Company	The Growth FD of America		153,784
ING Life Insurance & Annuity Company	VVIF-Diversified Value Port		250,600
ING Life Insurance & Annuity Company	Washington Mutual Investors		6,037
Participant loans	Loans to plan participants with interest rates between 4.75% and 9.25% through 2013		<u>52,880</u>
		\$	<u>1,789,804</u>

* Indicates party-in-interest

** Department of Labor Regulation 2520.103-11 (d) allows the exclusion of participant directed transactions from historical cost entry on the schedule of assets (held at end of year).