

<div>Form 5500</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Annual Return/Report of Employee Benefit Plan</div> <div>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).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500.</div>	<div>OMB Nos. 1210-0110 1210-0089</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A	This return/report is for: <div><div>☐ a multiemployer plan;</div><div>☒ a single-employer plan;</div><div>☐ a multiple-employer plan; or</div><div>☐ a DFE (specify) ____</div></div>
B	This return/report is: <div><div>☐ the first return/report;</div><div>☐ the final return/report;</div><div>☐ an amended return/report;</div><div>☐ a short plan year return/report (less than 12 months).</div></div>
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: <div><div>☒ Form 5558;</div><div>☐ automatic extension;</div><div>☐ the DFVC program;</div><div>☐ special extension (enter description)</div></div>

Part II	Basic Plan Information—enter all requested information
1a	Name of plan HERITAGE BAG COMPANY 401K PLAN
1b	Three-digit plan number (PN) ▶ 002
1c	Effective date of plan 09/01/1996
2a	Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) HERITAGE BAG COMPANY 1648 DIPLOMAT DRIVE CARROLLTON, TX 75006-6847
2b	Employer Identification Number (EIN) 75-1425644
2c	Sponsor's telephone number 972-241-5525
2d	Business code (see instructions) 326100

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.	10/05/2010	JAN JONES
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") HERITAGE BAG COMPANY 1648 DIPLOMAT DRIVE CARROLLTON, TX 75006-6847	3b Administrator's EIN 75-1425644 3c Administrator's telephone number 972-241-5525
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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	868
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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	683
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	67
d Subtotal. Add lines 6a , 6b , and 6c	6d	750
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	1
f Total. Add lines 6d and 6e	6f	751
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	668
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	38

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 2T 3D 3H

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

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

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

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

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

<div>A</div> <div>Name of plan</div> <div>HERITAGE BAG COMPANY 401K PLAN</div>	<div>B</div> <div>Three-digit plan number (PN)</div> <div>▶</div> <div>002</div>
<div>C</div> <div>Plan sponsor's name as shown on line 2a of Form 5500</div> <div>HERITAGE BAG COMPANY</div>	<div>D</div> <div>Employer Identification Number (EIN)</div> <div>75-1425644</div>

Part I

Service Provider Information (see instructions)

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

1

Information on Persons Receiving Only Eligible Indirect Compensation

a

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

☐ Yes

☒ No

b

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

(b)

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

(b)

Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 65 37	RECORDKEEPER	14988	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

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

Part II Information on Participating Plans (to be completed by DFEs)

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

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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2009 This Form is Open to Public Inspection
For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>		
A Name of plan <u>HERITAGE BAG COMPANY 401K PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>HERITAGE BAG COMPANY</u>	D Employer Identification Number (EIN) <u>75-1425644</u>	

Part I Asset and Liability Statement			
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)	4276516	1895255
(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)	959115	1003728
(9) Value of interest in common/collective trusts	1c(9)	35337	43054
(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)	13193960	19368234
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	18464928	22310271

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	18464928	22310271
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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)	414164	
(B) Participants	2a(1)(B)	1298837	
(C) Others (including rollovers)	2a(1)(C)	3237	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1716238
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	18207	
(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)	65799	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		84006
(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)	253756	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		253756
(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)		

		(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)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		1756
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		4630063
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		6685819

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2825432	
(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)		2825432
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)	15044	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		15044
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2840476

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		3845343
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: **WEAVER AND TIDWELL, L.L.P.**

(2) EIN: **75-0786316**

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		2500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

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

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

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

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

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

A Name of plan <u>HERITAGE BAG COMPANY 401K PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>HERITAGE BAG COMPANY</u>	D Employer Identification Number (EIN) <u>75-1425644</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-6568107</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
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

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): _____

HERITAGE BAG COMPANY 401 (K) PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

DECEMBER 31, 2009 AND 2008

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* Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

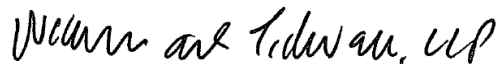
INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
Heritage Bag Company 401(k) Plan
Dallas, Texas

We were engaged to audit the accompanying statements of net assets available for benefits of Heritage Bag Company 401(k) Plan (the Plan) as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended, and the supplemental schedule of assets (held at end of year) as of December 31, 2009, as listed in the accompanying table of contents. These financial statements and supplemental schedule 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 3, which was certified by the Fidelity Management Trust Company (the Trustee), except for comparing the information with the related information included in the financial statements and supplementary schedule. We have been informed by the plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained certifications from the Trustee as of December 31, 2009 and 2008, and for the years then ended, that the information provided to the plan administrator by the Trustee 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 schedule taken as a whole. The form and content of the information included in the financial statements and schedule other than that derived from the information certified by the Trustee, 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.



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
October 1, 2010

**HERITAGE BAG COMPANY 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
ASSETS		
INVESTMENTS AT FAIR VALUE (Note 3)	<u>\$ 22,311,073</u>	<u>\$ 18,466,835</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 22,311,073</u></u>	<u><u>\$ 18,466,835</u></u>

HERITAGE BAG COMPANY 401(k) PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Employer contributions	\$ 414,164	\$ 371,991
Employee salary deferral contributions	1,298,837	1,270,551
Employee rollovers	3,237	50,713
Interest and dividend income (Note 3)	338,425	637,670
Net appreciation in fair value of investments (Note 3)	<u>4,630,050</u>	<u>-</u>
Total additions	6,684,713	2,330,925
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Net depreciation in fair value of investments (Note 3)	-	9,123,672
Distributions to participants	2,825,432	1,267,517
Participant fees	<u>15,043</u>	<u>19,840</u>
Total deductions	<u>2,840,475</u>	<u>10,411,029</u>
NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	3,844,238	(8,080,104)
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	<u>18,466,835</u>	<u>26,546,939</u>
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	<u><u>\$ 22,311,073</u></u>	<u><u>\$ 18,466,835</u></u>

HERITAGE BAG COMPANY 401(k) PLAN NOTES TO FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF PLAN

The following description of the Heritage Bag Company (the Company and the Plan Administrator) 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established effective September 1, 1996, and covers substantially all employees of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

The Plan established Fidelity Management Trust Company (Fidelity) as the Plan trustee and has adopted the Fidelity Plan document. During 2009 and 2008, all investment transactions were executed by Fidelity.

Eligibility

The Plan requirements allow employees to be eligible to participate in the Plan as of the first of the month following the date on which he/she has completed at least six months of service and is at least 18 years of age.

Participants become eligible for Company contributions after completion of one year of credited service and must be employed at the end of the year, with the exception of employees terminated during the year due to retirement, death, or disability.

Contributions

The Plan offers participants the ability to contribute from 1% to 60% of their eligible compensation, as defined in the Plan document. The Company makes matching contributions of 50% of the first 4% of the participant's pretax earnings. The Plan allows participants who are age 50 or older to make pre-tax catch-up contributions each year in increments of \$500.

The Company may also contribute an additional profit sharing amount determined at the sole discretion of the Company's Board of Directors. During the plan years ended December 31, 2009 and 2008, employer contributions were made from forfeited amounts totaling \$7,460 and \$36,297, respectively.

Investment Options

Upon enrollment in the Plan and throughout the participant's eligible period of employment, each participant may direct his or her employee, Company matching, and Company discretionary contributions, in 1% increments, in several core mutual fund alternatives. In addition to the core alternatives participants may select from additional Fidelity funds in the Fidelity Mutual Fund Window (MFW).

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. DESCRIPTION OF PLAN – CONTINUED

Investment Options – Continued

MFV funds may be chosen by participants for an annual cost of \$25 per year paid by the participant. Certain Fidelity funds carry short-term trading fees, which are paid by the participant.

Participant Accounts

A separate account is maintained for each participant. Each participant's account is credited with the participant's contributions, plan earnings, and allocations of the Company's matching contributions on a monthly basis. The Company's discretionary contributions are credited in the participant's account based on the investment allocation specified by the participant.

Vesting

The Company's matching contributions and discretionary profit sharing contributions plus actual earnings thereon are subject to the following vesting schedule:

<u>Years of Credited Service</u>	<u>Percentage Vested</u>
2	20%
3	40%
4	66%
5	100%

Participants are immediately vested in their pretax contributions plus actual earnings thereon.

That portion of a participant's nonvested Company match or Company discretionary contribution account which is forfeited due to termination of employment for reasons other than retirement, disability or death, in any given year, may be used to reduce the Company contributions in the successive year. During the plan years ended December 31, 2009 and 2008 the amount of nonvested forfeitures were \$8,795 and \$16,062, respectively.

Affiliate Employer Service

The Plan provides credit for years of service and vesting rights to employees of affiliates.

Payment of Benefits

The vested portion of a participant's account balance is paid to the participant or the participant's beneficiary, as appropriate, in a lump sum as of the valuation date following retirement, death, disability or termination of employment.

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. DESCRIPTION OF PLAN – CONTINUED

Payment of Benefits – Continued

To the extent a terminated participant's account balance exceeds \$5,000 and the participant has not attained age 70-1/2, the participant is allowed to leave funds in the Plan and can continue to earn investment income on the account balance until April 1 of the calendar year following the calendar year during which the participant attains age 70-1/2.

Participant Loans

Participants may borrow a minimum of \$1,000 up to a maximum of the lesser of \$50,000, reduced by the highest outstanding loan balance the employee had in the previous 12 months, or 50% of the current vested account balance. Participant loans bear interest at the Bank of America Prime Rate plus 1% to be reviewed quarterly, as determined by the Company's Board of Directors. Applicable rates on new participant loans made during 2009 were 4.25%. Participants may have only one loan outstanding at any time. Loan repayments, including principal and interest, are made ratably through weekly payroll deductions. Loans are secured by a lien on the participant's account balance in the Plan. The Plan also permits owner-employees the ability to borrow 401(k) dollars similar to all other employees.

Administrative Expenses

Administrative expenses are paid by the Company on behalf of the Plan.

NOTE 2. SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

The Plan's financial statements are prepared on an accrual basis of accounting.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of net assets and changes therein. Actual results could differ from those estimates. The Plan utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for plan benefits.

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 2. SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Investment Valuation

Investments of the Plan consist of registered investment company mutual funds. The investments are held by the Trustee and the investments in all of the funds are presented at fair value as determined by the Trustee based on the quoted market prices of the underlying securities within each fund.

Payment of Benefits

Benefits are recorded when paid. At December 31, 2009 and 2008, there were no unprocessed participant benefit payment requests included in net assets.

Derivative Financial Instruments

The Plan's adoption of Accounting Standards Codification (ASC) 815 (ASC 815) *Derivative Instruments and Hedging Activities* (Prior authoritative literature SFAS No. 133) did not affect the Plan's statements of net assets or changes in net assets. The Plan holds no derivative financial instruments at December 31, 2009 and 2008 and does not currently engage in hedging activities.

Risks and Uncertainties

The Plan provides for various investment options in mutual funds. These types of investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments securities, including those held by the Plan, it is at least reasonably possible the changes in the values of investment securities will occur in the near term and that such change could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

NOTE 3. FINANCIAL INFORMATION PROVIDED BY THE TRUSTEE (UNAUDITED)

The investments included in the December 31, 2009 and 2008 Statements of Net Assets Available for Benefits, the investment activities included in the Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2009 and 2008, and certain information on investments and investment activities in the notes to the financial statements were prepared in part or entirely from information certified by the Trustee in accordance with 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 information certified includes total investments of \$22,311,073 and \$18,466,835 at December 31, 2009 and 2008, respectively, and related investment gains of \$4,968,475 and investment losses of \$8,486,002 for the years ended December 31, 2009 and 2008, respectively.

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. FINANCIAL INFORMATION PROVIDED BY THE TRUSTEE (UNAUDITED) –
CONTINUED**

The fair value of investments at December 31, 2009 and 2008, which is reported by the Trustees, is summarized as follows:

	2009		2008
Fidelity Asset Manager 20%	56		47
Fidelity Asset Manager 50%	332,481		255,631
Fidelity Asset Manager 85%	147,091		2,501
Fidelity Balanced Fund	48,569		57,589
Fidelity Blue Chip Growth	58,247		40,177
Fidelity Blue Chip Value	-		16,216
Fidelity Canada	66,925		28,240
Fidelity Capital Appreciation	769,588		563,638
Fidelity Capital & Income	126,613		45,221
Fidelity Contrafund	167,345		121,759
Fidelity Convertible Securities	762,413		433,687
Fidelity Disciplined Equity	1,263,013	*	995,711
Fidelity Diversified International	1,123,444	*	813,323
Fidelity Dividend Growth	662		126
Fidelity Emerging Markets	191,644		94,446
Fidelity Equity-Income	1,003,918		771,432
Fidelity Europe	4,773		3,626
Fidelity Export and Multinational	24,169		14,997
Fidelity Fidelity	11,904		-
Fidelity Fifty	1,403		1,025
Fidelity Freedom 2000	11,940		8,653
Fidelity Freedom 2005	444,477		2,359
Fidelity Freedom 2010	180,976		126,500
Fidelity Freedom 2015	49,606		28,203
Fidelity Freedom 2020	225,927		117,185
Fidelity Freedom 2025	272,692		172,665
Fidelity Freedom 2030	510,008		360,422
Fidelity Freedom 2035	12,237		3,003
Fidelity Freedom 2040	46,563		20,655
Fidelity Freedom 2045	36,516		5,895
Fidelity Freedom 2050	55,374		8,223
Fidelity Freedom Income	47,241		29,547
Fidelity Ginnie Mae	48,700		17,679
Fidelity Government Income	66,504		89,516
Fidelity Growth Strategies	25,195		2,390
Fidelity Growth & Income	10,762		1,234
Fidelity Growth Company	4,423,666	*	3,111,536
Fidelity Independence	8,885		13,920
Fidelity Inflat Prot Bond	16,932		14,321
Fidelity Institutional Short-Intermediate Government Fund	6,803		4,740

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. FINANCIAL INFORMATION PROVIDED BY THE TRUSTEE (UNAUDITED) –
CONTINUED**

Fidelity Intermediate Bond	8,845	6,106	
Fidelity Intermediate Government Income	103,379	68,550	
Fidelity International Capital Appreciation	14,138	6,162	
Fidelity International Discovery	107,925	122,721	
Fidelity International Real Estate	4,230	1,161	
Fidelity Invst GR BD	29,545	14,654	
Fidelity Large Cap Value	7,221	21,959	
Fidelity Latin America	125,879	57,083	
Fidelity Leveraged Co Stock	257,324	153,272	
Fidelity Low-Priced Stock	1,189,800	832,622	*
Fidelity Managed Income Portfolio	43,855	37,244	
Fidelity Mid-Cap Growth	143,787	94,841	
Fidelity Mid-Cap Stock	1,921,924	1,210,349	*
Fidelity Mid-Cap Value	9,464	15,463	
Fidelity New Market Income	91,821	50,449	
Fidelity OTC Portfolio	32,837	5,169	
Fidelity Overseas	21,105	12,413	
Fidelity Puritan	-	2	
Fidelity Real Estate Inc	4,124	2,651	
Fidelity Real Estate Investment Portfolio	56,025	51,804	
Fidelity Retirement Government Money Market Portfolio	19,435	100,685	
Fidelity Retirement Money Market Portfolio	1,875,821	4,175,831	*
Fidelity Small Cap Growth	26,180	2,821	
Fidelity Small Cap Independence	2,885	3,261	
Fidelity Small Cap Stock	519,028	309,379	
Fidelity Small Cap Value	74,048	68,215	
Fidelity Southeast Asia	-	4,645	
Fidelity Strategic Income	20,399	20,520	
Fidelity Telecom & Utilities	3,004	2,334	
Fidelity Total Bond	3,267	14,587	
Fidelity Trend	22,008	-	
Fidelity Ultrashort Bond	42	42	
Fidelity US Bond Index	1,232,861	1,095,924	*
Fidelity Value	49,167	26,757	
Fidelity Value Strategies	13,384	-	
Fidelity Worldwide	9,262	20,920	
Spartan Extended Market Index	-	2,773	
Spartan US Equity Index	658,064	496,313	
Loan Fund	1,003,728	959,115	
Total Investments	<u>\$ 22,311,073</u>	<u>\$ 18,466,835</u>	

*indicates investments representing 5% or more of net assets available for benefits.

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. FINANCIAL INFORMATION PROVIDED BY THE TRUSTEE (UNAUDITED) –
CONTINUED**

	2009	2008
Interest and dividend income	\$ 338,425	\$ 637,670
Net appreciation (depreciation) in fair value of investments:		
Fidelity Asset Manager 20%	8	(10)
Fidelity Asset Manager 50%	70,649	(118,363)
Fidelity Asset Manager 85%	13,594	(1,348)
Fidelity Balanced Fund	8,442	(27,112)
Fidelity Blue Chip Growth	17,796	(99,691)
Fidelity Blue Chip Value	3,049	(13,358)
Fidelity Canada	15,594	(23,456)
Fidelity Capital Appreciation	200,007	(488,467)
Fidelity Capital & Income	28,503	(37,458)
Fidelity Contrafund	37,140	(70,165)
Fidelity Convertible Securities	252,819	(437,748)
Fidelity Disciplined Equity	207,971	(605,828)
Fidelity Diversified International	256,076	(763,394)
Fidelity Dividend Growth	168	(53,057)
Fidelity Emerging Markets	81,784	(144,145)
Fidelity Equity-Income	211,987	(537,081)
Fidelity Equity-Income II	-	(64,208)
Fidelity Europe	1,065	(2,940)
Fidelity Export and Multinational	6,506	(9,280)
Fidelity Fidelity	1,784	-
Fidelity Fifty	373	(995)
Fidelity Focused Stock	-	(3,194)
Fidelity Freedom 2000	1,295	(2,252)
Fidelity Freedom 2005	83,060	(748)
Fidelity Freedom 2010	30,556	(166,634)
Fidelity Freedom 2015	7,296	(20,422)
Fidelity Freedom 2020	35,810	(58,360)
Fidelity Freedom 2025	42,995	(95,458)
Fidelity Freedom 2030	98,531	(143,938)
Fidelity Freedom 2035	1,843	(1,462)
Fidelity Freedom 2040	9,304	(13,082)
Fidelity Freedom 2045	5,577	(5,582)
Fidelity Freedom 2050	8,609	(3,245)
Fidelity Freedom Income	4,061	(6,320)
Fidelity Ginnie Mae	617	475

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. FINANCIAL INFORMATION PROVIDED BY THE TRUSTEE (UNAUDITED) –
CONTINUED**

Fidelity Global Balanced	-	(5,693)
Fidelity Government Income	(4,164)	4,350
Fidelity Growth Strategies	5,530	(2,494)
Fidelity Growth & Income	1,798	(1,316)
Fidelity Growth Company	1,263,502	(2,218,744)
Fidelity Independence	2,655	(7,665)
Fidelity Inflat Prot Bond	992	(7,236)
Fidelity Institutional Short-Intermediate Government Fund	(93)	141
Fidelity Intermediate Bond	801	(655)
Fidelity Intermediate Government Income	(2,833)	2,576
Fidelity International Capital Appreciation	4,743	(6,506)
Fidelity International Discovery	13,483	(112,270)
Fidelity International Real Estate	801	(475)
Fidelity Invst GR BD	2,068	(1,773)
Fidelity Large Cap Stock	-	(150)
Fidelity Large Cap Value	1,980	(13,836)
Fidelity Latin America	68,187	(80,918)
Fidelity Leveraged Co Stock	97,309	(199,133)
Fidelity Low-Priced Stock	317,375	(639,789)
Fidelity Mid-Cap Growth	44,963	(91,984)
Fidelity Mid-Cap Stock	616,152	(1,070,947)
Fidelity Mid-Cap Value	4,681	(9,815)
Fidelity New Markets Income	17,376	(14,760)
Fidelity OTC Portfolio	9,977	(2,710)
Fidelity Overseas	4,169	(10,789)
Fidelity Puritan	-	(4)
Fidelity Real Estate Inc	1,225	(1,251)
Fidelity Real Estate Investment Portfolio	14,824	(35,131)
Fidelity Small Cap Growth	1,212	(232)
Fidelity Small Cap Independence	679	(2,102)
Fidelity Small Cap Retirement	-	171
Fidelity Small Cap Stock	189,729	(207,367)
Fidelity Small Cap Value	23,180	2,897
Fidelity Southeast Asia	2,343	(4,343)
Fidelity Strategic Income	3,382	(3,810)

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. FINANCIAL INFORMATION PROVIDED BY THE TRUSTEE (UNAUDITED) –
CONTINUED**

Fidelity Telecom & Utilities	219	(1,666)
Fidelity Total Bond	1,756	(1,605)
Fidelity Trend	4,534	-
Fidelity Ultrashort Bond	-	(5)
Fidelity US Bond Index	28,453	(7,986)
Fidelity Value	13,927	(16,976)
Fidelity Value Strategies	3,383	-
Fidelity Worldwide	1,813	(13,095)
Spartan Extended Market Index	369	(307)
Spartan US Equity Index	<u>122,701</u>	<u>(319,943)</u>
Net appreciation (depreciation) in fair value of investments:	<u>4,630,050</u>	<u>(9,123,672)</u>
TOTAL INVESTMENT GAINS (LOSSES)	<u>\$ 4,968,475</u>	<u>\$ (8,486,002)</u>

NOTE 4. PLAN TERMINATION

The Company reserves the right to discontinue the Plan at any time. Upon termination, all participants must receive written notice, and all amounts credited to the participants' accounts shall become 100% vested.

NOTE 5. TAX STATUS

The Plan has obtained a determination letter in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code.

The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code and is therefore qualified and the related trust is tax-exempt.

The Financial Accounting Standards Board (FASB) has recently issued new guidance in accounting for uncertainties in income taxes which requires that the Plan recognize in its financial statements the financial effects of a tax position, if that position is more likely than not of being sustained upon examination, including resolution of any appeals or litigation processes, based upon the technical merits of the tax position. The new requirements also provide guidance on measurement, classification, interest, penalties and disclosure. Tax positions taken related to the Plan's tax exempt status, unrelated business activities taxable income and deductibility of expenses and other miscellaneous tax positions have been reviewed, and management is of the opinion that material positions taken by the Plan would more than likely than not be sustained by examination. Accordingly, the Plan has not recorded an income tax liability for uncertain tax benefits. The entities tax years 2007 through 2009 remain subject to examination.

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 6. PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor Regulations as any fiduciary of the Plan, party rendering services to the Plan, the employer, and certain others. As such, transactions conducted by the trustee qualify as party-in-interest transactions.

NOTE 7. RECONCILIATION OF THE FINANCIAL STATEMENTS TO FORM 5500

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

Net assets available for benefits per financial statements	\$ 22,311,073
Adjustment for fund valued at contract value	<u>(802)</u>
Net assets available for benefits per Form 5500	<u>\$ 22,310,271</u>

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

Net increase in net assets available for benefits per financial statements	\$ 3,844,238
Adjustment for fund valued at contract value	(802)
Adjustment for prior year contract valuation	<u>1,907</u>
Net increase in net assets available for benefits per Form 5500	<u>\$ 3,845,343</u>

NOTE 8. FAIR VALUE MEASUREMENTS

In September 2006, the FASB issued a new standard relating to fair value measurements, Accounting Standards Codification (ASC) 820 (ASC 820), Fair Value Measures and Disclosures (Prior authoritative literature: SFAS No. 157, Fair Value Measurements) which introduces a framework for measuring fair value and expands required disclosure about fair value measurements of assets and liabilities and is effective for fiscal years beginning after November 15, 2007. The Company has adopted the standard for those assets and liabilities as of January 1, 2008 and the impact of adoption was not material to the financial statements. Fair value measurements guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 8. FAIR VALUE MEASUREMENTS - CONTINUED

ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The guidance describes three levels of inputs that may be used to measure fair value:

Level 1 — Quoted prices in active markets for identical assets or liabilities.

Level 2 — Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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.

Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

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

The following table presents the Plan's fair value hierarchy for the financial assets measured at fair value on a recurring basis as of December 31, 2009:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets:				
Mutual funds	\$ 21,307,345	\$ -	\$ -	\$ 21,307,345
Participant loans	-	-	1,003,728	1,003,728
Total assets	<u>\$ 21,307,345</u>	<u>\$ -</u>	<u>\$ 1,003,728</u>	<u>\$ 22,311,073</u>

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 8. FAIR VALUE MEASUREMENTS - CONTINUED

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 investment assets and liabilities for the year ended December 31, 2009:

	Beginning Fair Value	Items Included in Net Increase	Gains (Losses)	Sales, Issuances, Maturities Settlements, Calls, Net	Transfers In or Out of Level 3, Net	Ending Fair Value
Participant Loans	\$ 959,115	\$ -	\$ -	\$ 44,613	\$ -	\$ 1,003,728
Total	<u>\$ 959,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,613</u>	<u>\$ -</u>	<u>\$ 1,003,728</u>

The following table presents the Plan's fair value hierarchy for the financial assets measured at fair value on a recurring basis as of December 31, 2008:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets:				
Mutual funds	\$ 17,507,720	\$ -	\$ -	\$ 17,507,720
Participant loans	<u>-</u>	<u>-</u>	<u>959,115</u>	<u>959,115</u>
Total assets	<u>\$ 17,507,720</u>	<u>\$ -</u>	<u>\$ 959,115</u>	<u>\$ 18,466,835</u>

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 investments assets and liabilities for the year ended December 31, 2008.

	Beginning Fair Value	Items Included in Net Increase	Gains (Losses)	Sales, Issuances, Maturities Settlements, Calls, Net	Transfers In or Out of Level 3, Net	Ending Fair Value
Participant Loans	\$ 1,015,875	\$ -	\$ -	\$ (56,760)	\$ -	\$ 959,115
Total	<u>\$ 1,015,875</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (56,760)</u>	<u>\$ -</u>	<u>\$ 959,115</u>

NOTE 9. SUBSEQUENT EVENTS

Subsequent events were evaluated through October 1, 2010, which is the date the financial statements were issued.

SUPPLEMENTAL SCHEDULE

HERITAGE BAG COMPANY 401 (k) PLAN
EIN: 75-1425644
PLAN NUMBER: 002
SCHEDULE H, PART IV, LINE 4i
SUPPLEMENTAL SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2009

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer	Description of Investment	Cost	Current Value
*	Fidelity Investments	Fidelity Asset Manager 20%	\$ 58	\$ 56
*	Fidelity Investments	Fidelity Asset Manager 50%	356,124	332,481
*	Fidelity Investments	Fidelity Asset Manager 85%	134,685	147,091
*	Fidelity Investments	Fidelity Balanced Fund	53,432	48,569
*	Fidelity Investments	Fidelity Blue Chip Growth	38,672	58,247
*	Fidelity Investments	Fidelity Canada	57,706	66,925
*	Fidelity Investments	Fidelity Capital Appreciation	808,088	769,588
*	Fidelity Investments	Fidelity Capital & Income	124,193	126,613
*	Fidelity Investments	Fidelity Contrafund	162,671	167,345
*	Fidelity Investments	Fidelity Convertible Securities	698,435	762,413
*	Fidelity Investments	Fidelity Disciplined Equity	1,540,434	1,263,013
*	Fidelity Investments	Fidelity Diversified International	1,055,569	1,123,444
*	Fidelity Investments	Fidelity Dividend Growth	503	662
*	Fidelity Investments	Fidelity Emerging Markets	141,252	191,644
*	Fidelity Investments	Fidelity Equity-Income	1,255,198	1,003,918
*	Fidelity Investments	Fidelity Europe	5,612	4,773
*	Fidelity Investments	Fidelity Export and Multinational	24,291	24,169
*	Fidelity Investments	Fidelity Fidelity	10,121	11,904
*	Fidelity Investments	Fidelity Fifty	1,659	1,403
*	Fidelity Investments	Fidelity Freedom 2000	12,207	11,940
*	Fidelity Investments	Fidelity Freedom 2005	362,035	444,477
*	Fidelity Investments	Fidelity Freedom 2010	185,535	180,976
*	Fidelity Investments	Fidelity Freedom 2015	49,118	49,606
*	Fidelity Investments	Fidelity Freedom 2020	237,630	225,927
*	Fidelity Investments	Fidelity Freedom 2025	281,569	272,692
*	Fidelity Investments	Fidelity Freedom 2030	537,189	510,008
*	Fidelity Investments	Fidelity Freedom 2035	11,302	12,237
*	Fidelity Investments	Fidelity Freedom 2040	46,642	46,563
*	Fidelity Investments	Fidelity Freedom 2045	33,172	36,516
*	Fidelity Investments	Fidelity Freedom 2050	50,076	55,374
*	Fidelity Investments	Fidelity Freedom Income	46,095	47,241
*	Fidelity Investments	Fidelity Ginnie Mae	47,587	48,700
*	Fidelity Investments	Fidelity Government Income	67,108	66,504
*	Fidelity Investments	Fidelity Growth Strategies	20,503	25,195
*	Fidelity Investments	Fidelity Growth & Income	10,467	10,762
*	Fidelity Investments	Fidelity Growth Company	4,027,254	4,423,666
*	Fidelity Investments	Fidelity Independence	11,182	8,885
*	Fidelity Investments	Fidelity Inflat Prot Bond	16,445	16,932
*	Fidelity Investments	Fidelity Institutional Short-Intermediate Government Fund	6,755	6,803
*	Fidelity Investments	Fidelity Intermediate Bond	8,809	8,845
*	Fidelity Investments	Fidelity Intermediate Government Income	103,554	103,379
*	Fidelity Investments	Fidelity International Capital Appreciation	17,490	14,138
*	Fidelity Investments	Fidelity International Discovery	97,506	107,925
*	Fidelity Investments	Fidelity International Real Estate	3,905	4,230
*	Fidelity Investments	Fidelity Invst GR BD	29,376	29,545
*	Fidelity Investments	Fidelity Large Cap Value	9,112	7,221
*	Fidelity Investments	Fidelity Latin America	108,151	125,879
*	Fidelity Investments	Fidelity Leveraged Co Stock	271,734	257,324
*	Fidelity Investments	Fidelity Low-Priced Stock	1,205,064	1,189,800
*	Fidelity Investments	Fidelity Managed Income Portfolio	43,855	43,855
*	Fidelity Investments	Fidelity Mid-Cap Growth	187,513	143,787
*	Fidelity Investments	Fidelity Mid-Cap Stock	1,929,997	1,921,924
*	Fidelity Investments	Fidelity Mid-Cap Value	8,685	9,464
*	Fidelity Investments	Fidelity New Markets Income	87,823	91,821

HERITAGE BAG COMPANY 401 (k) PLAN
EIN: 75-1425644
PLAN NUMBER: 002
SCHEDULE H, PART IV, LINE 4i
SUPPLEMENTAL SCHEDULE OF ASSETS (HELD AT END OF YEAR) – CONTINUED
DECEMBER 31, 2009

* Fidelity Investments	Fidelity OTC Portfolio	25,568	32,837
* Fidelity Investments	Fidelity Overseas	26,296	21,105
* Fidelity Investments	Fidelity Real Estate Inc	4,583	4,124
* Fidelity Investments	Fidelity Real Estate Investment Portfolio	68,754	56,025
* Fidelity Investments	Fidelity Retirement Government Money Market Portfolio	19,435	19,435
* Fidelity Investments	Fidelity Retirement Money Market Portfolio	1,875,821	1,875,821
* Fidelity Investments	Fidelity Small Cap Growth	25,199	26,180
* Fidelity Investments	Fidelity Small Cap Independence	3,893	2,885
* Fidelity Investments	Fidelity Small Cap Stock	499,107	519,028
* Fidelity Investments	Fidelity Small Cap Value	45,789	74,048
* Fidelity Investments	Fidelity Strategic Income	19,162	20,399
* Fidelity Investments	Fidelity Telecom & Utilities	3,513	3,004
* Fidelity Investments	Fidelity Total Bond	3,039	3,267
* Fidelity Investments	Fidelity Trend	17,476	22,008
* Fidelity Investments	Fidelity Ultrashort Bond	52	42
* Fidelity Investments	Fidelity US Bond Index	1,209,381	1,232,861
* Fidelity Investments	Fidelity Value	50,764	49,167
* Fidelity Investments	Fidelity Value Strategies	10,000	13,384
* Fidelity Investments	Fidelity Worldwide	10,592	9,262
* Fidelity Investments	Spartan Extended Market Index	-	-
* Fidelity Investments	Spartan US Equity Index	664,342	658,064

Loans to participants with interest rates of 4.25% to 9.25%
and maturity dates from January 2010 to December 2014

1,003,728

\$ 22,311,073

* Party-in interest

HERITAGE BAG COMPANY 401 (K) PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

DECEMBER 31, 2009 AND 2008

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SUPPLEMENTAL SCHEDULE

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* Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
Heritage Bag Company 401(k) Plan
Dallas, Texas

We were engaged to audit the accompanying statements of net assets available for benefits of Heritage Bag Company 401(k) Plan (the Plan) as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended, and the supplemental schedule of assets (held at end of year) as of December 31, 2009, as listed in the accompanying table of contents. These financial statements and supplemental schedule 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 3, which was certified by the Fidelity Management Trust Company (the Trustee), except for comparing the information with the related information included in the financial statements and supplementary schedule. We have been informed by the plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained certifications from the Trustee as of December 31, 2009 and 2008, and for the years then ended, that the information provided to the plan administrator by the Trustee 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 schedule taken as a whole. The form and content of the information included in the financial statements and schedule other than that derived from the information certified by the Trustee, 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.



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
October 1, 2010

**HERITAGE BAG COMPANY 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
ASSETS		
INVESTMENTS AT FAIR VALUE (Note 3)	<u>\$ 22,311,073</u>	<u>\$ 18,466,835</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 22,311,073</u></u>	<u><u>\$ 18,466,835</u></u>

**HERITAGE BAG COMPANY 401(k) PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Employer contributions	\$ 414,164	\$ 371,991
Employee salary deferral contributions	1,298,837	1,270,551
Employee rollovers	3,237	50,713
Interest and dividend income (Note 3)	338,425	637,670
Net appreciation in fair value of investments (Note 3)	<u>4,630,050</u>	<u>-</u>
Total additions	6,684,713	2,330,925
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Net depreciation in fair value of investments (Note 3)	-	9,123,672
Distributions to participants	2,825,432	1,267,517
Participant fees	<u>15,043</u>	<u>19,840</u>
Total deductions	<u>2,840,475</u>	<u>10,411,029</u>
NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	3,844,238	(8,080,104)
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	<u>18,466,835</u>	<u>26,546,939</u>
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	<u><u>\$ 22,311,073</u></u>	<u><u>\$ 18,466,835</u></u>

HERITAGE BAG COMPANY 401(k) PLAN NOTES TO FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF PLAN

The following description of the Heritage Bag Company (the Company and the Plan Administrator) 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established effective September 1, 1996, and covers substantially all employees of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

The Plan established Fidelity Management Trust Company (Fidelity) as the Plan trustee and has adopted the Fidelity Plan document. During 2009 and 2008, all investment transactions were executed by Fidelity.

Eligibility

The Plan requirements allow employees to be eligible to participate in the Plan as of the first of the month following the date on which he/she has completed at least six months of service and is at least 18 years of age.

Participants become eligible for Company contributions after completion of one year of credited service and must be employed at the end of the year, with the exception of employees terminated during the year due to retirement, death, or disability.

Contributions

The Plan offers participants the ability to contribute from 1% to 60% of their eligible compensation, as defined in the Plan document. The Company makes matching contributions of 50% of the first 4% of the participant's pretax earnings. The Plan allows participants who are age 50 or older to make pre-tax catch-up contributions each year in increments of \$500.

The Company may also contribute an additional profit sharing amount determined at the sole discretion of the Company's Board of Directors. During the plan years ended December 31, 2009 and 2008, employer contributions were made from forfeited amounts totaling \$7,460 and \$36,297, respectively.

Investment Options

Upon enrollment in the Plan and throughout the participant's eligible period of employment, each participant may direct his or her employee, Company matching, and Company discretionary contributions, in 1% increments, in several core mutual fund alternatives. In addition to the core alternatives participants may select from additional Fidelity funds in the Fidelity Mutual Fund Window (MFW).

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. DESCRIPTION OF PLAN – CONTINUED

Investment Options – Continued

MFV funds may be chosen by participants for an annual cost of \$25 per year paid by the participant. Certain Fidelity funds carry short-term trading fees, which are paid by the participant.

Participant Accounts

A separate account is maintained for each participant. Each participant's account is credited with the participant's contributions, plan earnings, and allocations of the Company's matching contributions on a monthly basis. The Company's discretionary contributions are credited in the participant's account based on the investment allocation specified by the participant.

Vesting

The Company's matching contributions and discretionary profit sharing contributions plus actual earnings thereon are subject to the following vesting schedule:

<u>Years of Credited Service</u>	<u>Percentage Vested</u>
2	20%
3	40%
4	66%
5	100%

Participants are immediately vested in their pretax contributions plus actual earnings thereon.

That portion of a participant's nonvested Company match or Company discretionary contribution account which is forfeited due to termination of employment for reasons other than retirement, disability or death, in any given year, may be used to reduce the Company contributions in the successive year. During the plan years ended December 31, 2009 and 2008 the amount of nonvested forfeitures were \$8,795 and \$16,062, respectively.

Affiliate Employer Service

The Plan provides credit for years of service and vesting rights to employees of affiliates.

Payment of Benefits

The vested portion of a participant's account balance is paid to the participant or the participant's beneficiary, as appropriate, in a lump sum as of the valuation date following retirement, death, disability or termination of employment.

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. DESCRIPTION OF PLAN – CONTINUED

Payment of Benefits – Continued

To the extent a terminated participant's account balance exceeds \$5,000 and the participant has not attained age 70-1/2, the participant is allowed to leave funds in the Plan and can continue to earn investment income on the account balance until April 1 of the calendar year following the calendar year during which the participant attains age 70-1/2.

Participant Loans

Participants may borrow a minimum of \$1,000 up to a maximum of the lesser of \$50,000, reduced by the highest outstanding loan balance the employee had in the previous 12 months, or 50% of the current vested account balance. Participant loans bear interest at the Bank of America Prime Rate plus 1% to be reviewed quarterly, as determined by the Company's Board of Directors. Applicable rates on new participant loans made during 2009 were 4.25%. Participants may have only one loan outstanding at any time. Loan repayments, including principal and interest, are made ratably through weekly payroll deductions. Loans are secured by a lien on the participant's account balance in the Plan. The Plan also permits owner-employees the ability to borrow 401(k) dollars similar to all other employees.

Administrative Expenses

Administrative expenses are paid by the Company on behalf of the Plan.

NOTE 2. SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

The Plan's financial statements are prepared on an accrual basis of accounting.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of net assets and changes therein. Actual results could differ from those estimates. The Plan utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for plan benefits.

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 2. SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Investment Valuation

Investments of the Plan consist of registered investment company mutual funds. The investments are held by the Trustee and the investments in all of the funds are presented at fair value as determined by the Trustee based on the quoted market prices of the underlying securities within each fund.

Payment of Benefits

Benefits are recorded when paid. At December 31, 2009 and 2008, there were no unprocessed participant benefit payment requests included in net assets.

Derivative Financial Instruments

The Plan's adoption of Accounting Standards Codification (ASC) 815 (ASC 815) *Derivative Instruments and Hedging Activities* (Prior authoritative literature SFAS No. 133) did not affect the Plan's statements of net assets or changes in net assets. The Plan holds no derivative financial instruments at December 31, 2009 and 2008 and does not currently engage in hedging activities.

Risks and Uncertainties

The Plan provides for various investment options in mutual funds. These types of investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments securities, including those held by the Plan, it is at least reasonably possible the changes in the values of investment securities will occur in the near term and that such change could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

NOTE 3. FINANCIAL INFORMATION PROVIDED BY THE TRUSTEE (UNAUDITED)

The investments included in the December 31, 2009 and 2008 Statements of Net Assets Available for Benefits, the investment activities included in the Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2009 and 2008, and certain information on investments and investment activities in the notes to the financial statements were prepared in part or entirely from information certified by the Trustee in accordance with 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 information certified includes total investments of \$22,311,073 and \$18,466,835 at December 31, 2009 and 2008, respectively, and related investment gains of \$4,968,475 and investment losses of \$8,486,002 for the years ended December 31, 2009 and 2008, respectively.

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. FINANCIAL INFORMATION PROVIDED BY THE TRUSTEE (UNAUDITED) –
CONTINUED**

The fair value of investments at December 31, 2009 and 2008, which is reported by the Trustees, is summarized as follows:

	2009		2008
Fidelity Asset Manager 20%	56		47
Fidelity Asset Manager 50%	332,481		255,631
Fidelity Asset Manager 85%	147,091		2,501
Fidelity Balanced Fund	48,569		57,589
Fidelity Blue Chip Growth	58,247		40,177
Fidelity Blue Chip Value	-		16,216
Fidelity Canada	66,925		28,240
Fidelity Capital Appreciation	769,588		563,638
Fidelity Capital & Income	126,613		45,221
Fidelity Contrafund	167,345		121,759
Fidelity Convertible Securities	762,413		433,687
Fidelity Disciplined Equity	1,263,013	*	995,711
Fidelity Diversified International	1,123,444	*	813,323
Fidelity Dividend Growth	662		126
Fidelity Emerging Markets	191,644		94,446
Fidelity Equity-Income	1,003,918		771,432
Fidelity Europe	4,773		3,626
Fidelity Export and Multinational	24,169		14,997
Fidelity Fidelity	11,904		-
Fidelity Fifty	1,403		1,025
Fidelity Freedom 2000	11,940		8,653
Fidelity Freedom 2005	444,477		2,359
Fidelity Freedom 2010	180,976		126,500
Fidelity Freedom 2015	49,606		28,203
Fidelity Freedom 2020	225,927		117,185
Fidelity Freedom 2025	272,692		172,665
Fidelity Freedom 2030	510,008		360,422
Fidelity Freedom 2035	12,237		3,003
Fidelity Freedom 2040	46,563		20,655
Fidelity Freedom 2045	36,516		5,895
Fidelity Freedom 2050	55,374		8,223
Fidelity Freedom Income	47,241		29,547
Fidelity Ginnie Mae	48,700		17,679
Fidelity Government Income	66,504		89,516
Fidelity Growth Strategies	25,195		2,390
Fidelity Growth & Income	10,762		1,234
Fidelity Growth Company	4,423,666	*	3,111,536
Fidelity Independence	8,885		13,920
Fidelity Inflat Prot Bond	16,932		14,321
Fidelity Institutional Short-Intermediate Government Fund	6,803		4,740

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. FINANCIAL INFORMATION PROVIDED BY THE TRUSTEE (UNAUDITED) –
CONTINUED**

Fidelity Intermediate Bond	8,845	6,106	
Fidelity Intermediate Government Income	103,379	68,550	
Fidelity International Capital Appreciation	14,138	6,162	
Fidelity International Discovery	107,925	122,721	
Fidelity International Real Estate	4,230	1,161	
Fidelity Invst GR BD	29,545	14,654	
Fidelity Large Cap Value	7,221	21,959	
Fidelity Latin America	125,879	57,083	
Fidelity Leveraged Co Stock	257,324	153,272	
Fidelity Low-Priced Stock	1,189,800	832,622	*
Fidelity Managed Income Portfolio	43,855	37,244	
Fidelity Mid-Cap Growth	143,787	94,841	
Fidelity Mid-Cap Stock	1,921,924	1,210,349	*
Fidelity Mid-Cap Value	9,464	15,463	
Fidelity New Market Income	91,821	50,449	
Fidelity OTC Portfolio	32,837	5,169	
Fidelity Overseas	21,105	12,413	
Fidelity Puritan	-	2	
Fidelity Real Estate Inc	4,124	2,651	
Fidelity Real Estate Investment Portfolio	56,025	51,804	
Fidelity Retirement Government Money Market Portfolio	19,435	100,685	
Fidelity Retirement Money Market Portfolio	1,875,821	4,175,831	*
Fidelity Small Cap Growth	26,180	2,821	
Fidelity Small Cap Independence	2,885	3,261	
Fidelity Small Cap Stock	519,028	309,379	
Fidelity Small Cap Value	74,048	68,215	
Fidelity Southeast Asia	-	4,645	
Fidelity Strategic Income	20,399	20,520	
Fidelity Telecom & Utilities	3,004	2,334	
Fidelity Total Bond	3,267	14,587	
Fidelity Trend	22,008	-	
Fidelity Ultrashort Bond	42	42	
Fidelity US Bond Index	1,232,861	1,095,924	*
Fidelity Value	49,167	26,757	
Fidelity Value Strategies	13,384	-	
Fidelity Worldwide	9,262	20,920	
Spartan Extended Market Index	-	2,773	
Spartan US Equity Index	658,064	496,313	
Loan Fund	1,003,728	959,115	
Total Investments	<u>\$ 22,311,073</u>	<u>\$ 18,466,835</u>	

*indicates investments representing 5% or more of net assets available for benefits.

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. FINANCIAL INFORMATION PROVIDED BY THE TRUSTEE (UNAUDITED) –
CONTINUED**

	2009	2008
Interest and dividend income	\$ 338,425	\$ 637,670
Net appreciation (depreciation) in fair value of investments:		
Fidelity Asset Manager 20%	8	(10)
Fidelity Asset Manager 50%	70,649	(118,363)
Fidelity Asset Manager 85%	13,594	(1,348)
Fidelity Balanced Fund	8,442	(27,112)
Fidelity Blue Chip Growth	17,796	(99,691)
Fidelity Blue Chip Value	3,049	(13,358)
Fidelity Canada	15,594	(23,456)
Fidelity Capital Appreciation	200,007	(488,467)
Fidelity Capital & Income	28,503	(37,458)
Fidelity Contrafund	37,140	(70,165)
Fidelity Convertible Securities	252,819	(437,748)
Fidelity Disciplined Equity	207,971	(605,828)
Fidelity Diversified International	256,076	(763,394)
Fidelity Dividend Growth	168	(53,057)
Fidelity Emerging Markets	81,784	(144,145)
Fidelity Equity-Income	211,987	(537,081)
Fidelity Equity-Income II	-	(64,208)
Fidelity Europe	1,065	(2,940)
Fidelity Export and Multinational	6,506	(9,280)
Fidelity Fidelity	1,784	-
Fidelity Fifty	373	(995)
Fidelity Focused Stock	-	(3,194)
Fidelity Freedom 2000	1,295	(2,252)
Fidelity Freedom 2005	83,060	(748)
Fidelity Freedom 2010	30,556	(166,634)
Fidelity Freedom 2015	7,296	(20,422)
Fidelity Freedom 2020	35,810	(58,360)
Fidelity Freedom 2025	42,995	(95,458)
Fidelity Freedom 2030	98,531	(143,938)
Fidelity Freedom 2035	1,843	(1,462)
Fidelity Freedom 2040	9,304	(13,082)
Fidelity Freedom 2045	5,577	(5,582)
Fidelity Freedom 2050	8,609	(3,245)
Fidelity Freedom Income	4,061	(6,320)
Fidelity Ginnie Mae	617	475

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. FINANCIAL INFORMATION PROVIDED BY THE TRUSTEE (UNAUDITED) –
CONTINUED**

Fidelity Global Balanced	-	(5,693)
Fidelity Government Income	(4,164)	4,350
Fidelity Growth Strategies	5,530	(2,494)
Fidelity Growth & Income	1,798	(1,316)
Fidelity Growth Company	1,263,502	(2,218,744)
Fidelity Independence	2,655	(7,665)
Fidelity Inflat Prot Bond	992	(7,236)
Fidelity Institutional Short-Intermediate Government Fund	(93)	141
Fidelity Intermediate Bond	801	(655)
Fidelity Intermediate Government Income	(2,833)	2,576
Fidelity International Capital Appreciation	4,743	(6,506)
Fidelity International Discovery	13,483	(112,270)
Fidelity International Real Estate	801	(475)
Fidelity Invst GR BD	2,068	(1,773)
Fidelity Large Cap Stock	-	(150)
Fidelity Large Cap Value	1,980	(13,836)
Fidelity Latin America	68,187	(80,918)
Fidelity Leveraged Co Stock	97,309	(199,133)
Fidelity Low-Priced Stock	317,375	(639,789)
Fidelity Mid-Cap Growth	44,963	(91,984)
Fidelity Mid-Cap Stock	616,152	(1,070,947)
Fidelity Mid-Cap Value	4,681	(9,815)
Fidelity New Markets Income	17,376	(14,760)
Fidelity OTC Portfolio	9,977	(2,710)
Fidelity Overseas	4,169	(10,789)
Fidelity Puritan	-	(4)
Fidelity Real Estate Inc	1,225	(1,251)
Fidelity Real Estate Investment Portfolio	14,824	(35,131)
Fidelity Small Cap Growth	1,212	(232)
Fidelity Small Cap Independence	679	(2,102)
Fidelity Small Cap Retirement	-	171
Fidelity Small Cap Stock	189,729	(207,367)
Fidelity Small Cap Value	23,180	2,897
Fidelity Southeast Asia	2,343	(4,343)
Fidelity Strategic Income	3,382	(3,810)

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3. FINANCIAL INFORMATION PROVIDED BY THE TRUSTEE (UNAUDITED) –
CONTINUED**

Fidelity Telecom & Utilities	219	(1,666)
Fidelity Total Bond	1,756	(1,605)
Fidelity Trend	4,534	-
Fidelity Ultrashort Bond	-	(5)
Fidelity US Bond Index	28,453	(7,986)
Fidelity Value	13,927	(16,976)
Fidelity Value Strategies	3,383	-
Fidelity Worldwide	1,813	(13,095)
Spartan Extended Market Index	369	(307)
Spartan US Equity Index	<u>122,701</u>	<u>(319,943)</u>
Net appreciation (depreciation) in fair value of investments:	<u>4,630,050</u>	<u>(9,123,672)</u>
TOTAL INVESTMENT GAINS (LOSSES)	<u><u>\$ 4,968,475</u></u>	<u><u>\$ (8,486,002)</u></u>

NOTE 4. PLAN TERMINATION

The Company reserves the right to discontinue the Plan at any time. Upon termination, all participants must receive written notice, and all amounts credited to the participants' accounts shall become 100% vested.

NOTE 5. TAX STATUS

The Plan has obtained a determination letter in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code.

The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code and is therefore qualified and the related trust is tax-exempt.

The Financial Accounting Standards Board (FASB) has recently issued new guidance in accounting for uncertainties in income taxes which requires that the Plan recognize in its financial statements the financial effects of a tax position, if that position is more likely than not of being sustained upon examination, including resolution of any appeals or litigation processes, based upon the technical merits of the tax position. The new requirements also provide guidance on measurement, classification, interest, penalties and disclosure. Tax positions taken related to the Plan's tax exempt status, unrelated business activities taxable income and deductibility of expenses and other miscellaneous tax positions have been reviewed, and management is of the opinion that material positions taken by the Plan would more than likely than not be sustained by examination. Accordingly, the Plan has not recorded an income tax liability for uncertain tax benefits. The entities tax years 2007 through 2009 remain subject to examination.

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 6. PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor Regulations as any fiduciary of the Plan, party rendering services to the Plan, the employer, and certain others. As such, transactions conducted by the trustee qualify as party-in-interest transactions.

NOTE 7. RECONCILIATION OF THE FINANCIAL STATEMENTS TO FORM 5500

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

Net assets available for benefits per financial statements	\$ 22,311,073
Adjustment for fund valued at contract value	<u>(802)</u>
Net assets available for benefits per Form 5500	<u>\$ 22,310,271</u>

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

Net increase in net assets available for benefits per financial statements	\$ 3,844,238
Adjustment for fund valued at contract value	(802)
Adjustment for prior year contract valuation	<u>1,907</u>
Net increase in net assets available for benefits per Form 5500	<u>\$ 3,845,343</u>

NOTE 8. FAIR VALUE MEASUREMENTS

In September 2006, the FASB issued a new standard relating to fair value measurements, Accounting Standards Codification (ASC) 820 (ASC 820), Fair Value Measures and Disclosures (Prior authoritative literature: SFAS No. 157, Fair Value Measurements) which introduces a framework for measuring fair value and expands required disclosure about fair value measurements of assets and liabilities and is effective for fiscal years beginning after November 15, 2007. The Company has adopted the standard for those assets and liabilities as of January 1, 2008 and the impact of adoption was not material to the financial statements. Fair value measurements guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 8. FAIR VALUE MEASUREMENTS - CONTINUED

ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The guidance describes three levels of inputs that may be used to measure fair value:

Level 1 — Quoted prices in active markets for identical assets or liabilities.

Level 2 — Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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.

Mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

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

The following table presents the Plan's fair value hierarchy for the financial assets measured at fair value on a recurring basis as of December 31, 2009:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets:				
Mutual funds	\$ 21,307,345	\$ -	\$ -	\$ 21,307,345
Participant loans	-	-	1,003,728	1,003,728
Total assets	<u>\$ 21,307,345</u>	<u>\$ -</u>	<u>\$ 1,003,728</u>	<u>\$ 22,311,073</u>

**HERITAGE BAG COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 8. FAIR VALUE MEASUREMENTS - CONTINUED

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 investment assets and liabilities for the year ended December 31, 2009:

	Beginning Fair Value	Items Included in Net Increase	Gains (Losses)	Sales, Issuances, Maturities Settlements, Calls, Net	Transfers In or Out of Level 3, Net	Ending Fair Value
Participant Loans	\$ 959,115	\$ -	\$ -	\$ 44,613	\$ -	\$ 1,003,728
Total	<u>\$ 959,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,613</u>	<u>\$ -</u>	<u>\$ 1,003,728</u>

The following table presents the Plan's fair value hierarchy for the financial assets measured at fair value on a recurring basis as of December 31, 2008:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets:				
Mutual funds	\$ 17,507,720	\$ -	\$ -	\$ 17,507,720
Participant loans	<u>-</u>	<u>-</u>	<u>959,115</u>	<u>959,115</u>
Total assets	<u>\$ 17,507,720</u>	<u>\$ -</u>	<u>\$ 959,115</u>	<u>\$ 18,466,835</u>

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 investments assets and liabilities for the year ended December 31, 2008.

	Beginning Fair Value	Items Included in Net Increase	Gains (Losses)	Sales, Issuances, Maturities Settlements, Calls, Net	Transfers In or Out of Level 3, Net	Ending Fair Value
Participant Loans	\$ 1,015,875	\$ -	\$ -	\$ (56,760)	\$ -	\$ 959,115
Total	<u>\$ 1,015,875</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (56,760)</u>	<u>\$ -</u>	<u>\$ 959,115</u>

NOTE 9. SUBSEQUENT EVENTS

Subsequent events were evaluated through October 1, 2010, which is the date the financial statements were issued.

SUPPLEMENTAL SCHEDULE

HERITAGE BAG COMPANY 401 (k) PLAN
EIN: 75-1425644
PLAN NUMBER: 002
SCHEDULE H, PART IV, LINE 4i
SUPPLEMENTAL SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2009

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer	Description of Investment	Cost	Current Value
*	Fidelity Investments	Fidelity Asset Manager 20%	\$ 58	\$ 56
*	Fidelity Investments	Fidelity Asset Manager 50%	356,124	332,481
*	Fidelity Investments	Fidelity Asset Manager 85%	134,685	147,091
*	Fidelity Investments	Fidelity Balanced Fund	53,432	48,569
*	Fidelity Investments	Fidelity Blue Chip Growth	38,672	58,247
*	Fidelity Investments	Fidelity Canada	57,706	66,925
*	Fidelity Investments	Fidelity Capital Appreciation	808,088	769,588
*	Fidelity Investments	Fidelity Capital & Income	124,193	126,613
*	Fidelity Investments	Fidelity Contrafund	162,671	167,345
*	Fidelity Investments	Fidelity Convertible Securities	698,435	762,413
*	Fidelity Investments	Fidelity Disciplined Equity	1,540,434	1,263,013
*	Fidelity Investments	Fidelity Diversified International	1,055,569	1,123,444
*	Fidelity Investments	Fidelity Dividend Growth	503	662
*	Fidelity Investments	Fidelity Emerging Markets	141,252	191,644
*	Fidelity Investments	Fidelity Equity-Income	1,255,198	1,003,918
*	Fidelity Investments	Fidelity Europe	5,612	4,773
*	Fidelity Investments	Fidelity Export and Multinational	24,291	24,169
*	Fidelity Investments	Fidelity Fidelity	10,121	11,904
*	Fidelity Investments	Fidelity Fifty	1,659	1,403
*	Fidelity Investments	Fidelity Freedom 2000	12,207	11,940
*	Fidelity Investments	Fidelity Freedom 2005	362,035	444,477
*	Fidelity Investments	Fidelity Freedom 2010	185,535	180,976
*	Fidelity Investments	Fidelity Freedom 2015	49,118	49,606
*	Fidelity Investments	Fidelity Freedom 2020	237,630	225,927
*	Fidelity Investments	Fidelity Freedom 2025	281,569	272,692
*	Fidelity Investments	Fidelity Freedom 2030	537,189	510,008
*	Fidelity Investments	Fidelity Freedom 2035	11,302	12,237
*	Fidelity Investments	Fidelity Freedom 2040	46,642	46,563
*	Fidelity Investments	Fidelity Freedom 2045	33,172	36,516
*	Fidelity Investments	Fidelity Freedom 2050	50,076	55,374
*	Fidelity Investments	Fidelity Freedom Income	46,095	47,241
*	Fidelity Investments	Fidelity Ginnie Mae	47,587	48,700
*	Fidelity Investments	Fidelity Government Income	67,108	66,504
*	Fidelity Investments	Fidelity Growth Strategies	20,503	25,195
*	Fidelity Investments	Fidelity Growth & Income	10,467	10,762
*	Fidelity Investments	Fidelity Growth Company	4,027,254	4,423,666
*	Fidelity Investments	Fidelity Independence	11,182	8,885
*	Fidelity Investments	Fidelity Inflat Prot Bond	16,445	16,932
*	Fidelity Investments	Fidelity Institutional Short-Intermediate Government Fund	6,755	6,803
*	Fidelity Investments	Fidelity Intermediate Bond	8,809	8,845
*	Fidelity Investments	Fidelity Intermediate Government Income	103,554	103,379
*	Fidelity Investments	Fidelity International Capital Appreciation	17,490	14,138
*	Fidelity Investments	Fidelity International Discovery	97,506	107,925
*	Fidelity Investments	Fidelity International Real Estate	3,905	4,230
*	Fidelity Investments	Fidelity Invst GR BD	29,376	29,545
*	Fidelity Investments	Fidelity Large Cap Value	9,112	7,221
*	Fidelity Investments	Fidelity Latin America	108,151	125,879
*	Fidelity Investments	Fidelity Leveraged Co Stock	271,734	257,324
*	Fidelity Investments	Fidelity Low-Priced Stock	1,205,064	1,189,800
*	Fidelity Investments	Fidelity Managed Income Portfolio	43,855	43,855
*	Fidelity Investments	Fidelity Mid-Cap Growth	187,513	143,787
*	Fidelity Investments	Fidelity Mid-Cap Stock	1,929,997	1,921,924
*	Fidelity Investments	Fidelity Mid-Cap Value	8,685	9,464
*	Fidelity Investments	Fidelity New Markets Income	87,823	91,821

HERITAGE BAG COMPANY 401 (k) PLAN
EIN: 75-1425644
PLAN NUMBER: 002
SCHEDULE H, PART IV, LINE 4i
SUPPLEMENTAL SCHEDULE OF ASSETS (HELD AT END OF YEAR) – CONTINUED
DECEMBER 31, 2009

* Fidelity Investments	Fidelity OTC Portfolio	25,568	32,837
* Fidelity Investments	Fidelity Overseas	26,296	21,105
* Fidelity Investments	Fidelity Real Estate Inc	4,583	4,124
* Fidelity Investments	Fidelity Real Estate Investment Portfolio	68,754	56,025
* Fidelity Investments	Fidelity Retirement Government Money Market Portfolio	19,435	19,435
* Fidelity Investments	Fidelity Retirement Money Market Portfolio	1,875,821	1,875,821
* Fidelity Investments	Fidelity Small Cap Growth	25,199	26,180
* Fidelity Investments	Fidelity Small Cap Independence	3,893	2,885
* Fidelity Investments	Fidelity Small Cap Stock	499,107	519,028
* Fidelity Investments	Fidelity Small Cap Value	45,789	74,048
* Fidelity Investments	Fidelity Strategic Income	19,162	20,399
* Fidelity Investments	Fidelity Telecom & Utilities	3,513	3,004
* Fidelity Investments	Fidelity Total Bond	3,039	3,267
* Fidelity Investments	Fidelity Trend	17,476	22,008
* Fidelity Investments	Fidelity Ultrashort Bond	52	42
* Fidelity Investments	Fidelity US Bond Index	1,209,381	1,232,861
* Fidelity Investments	Fidelity Value	50,764	49,167
* Fidelity Investments	Fidelity Value Strategies	10,000	13,384
* Fidelity Investments	Fidelity Worldwide	10,592	9,262
* Fidelity Investments	Spartan Extended Market Index	-	-
* Fidelity Investments	Spartan US Equity Index	664,342	658,064

Loans to participants with interest rates of 4.25% to 9.25%
and maturity dates from January 2010 to December 2014

1,003,728

\$ 22,311,073

* Party-in interest