Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
PACIFIC HOTEL MANAGEMENT, LLC 401K PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 07/01/1999

2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
PACIFIC HOTEL MANAGEMENT, LLC

400 S EL CAMINO REAL STE 200
SAN MATEO, CA 94402-1731

2b Employer Identification Number (EIN)
94-2749016

2c Sponsor's telephone number
415-392-8260

2d Business code (see instructions)
531210

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.	10/11/2010	CLEMENT CHEN, III
	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")
PACIFIC HOTEL MANAGEMENT, LLC

400 S EL CAMINO REAL STE 200
SAN MATEO, CA 94402-1731

3b Administrator's EIN
94-2749016

3c Administrator's telephone number
415-392-8260

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	821
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**	833
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	32
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	865
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	865
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	146
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 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)	X	Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

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
PACIFIC HOTEL MANAGEMENT, LLC 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500.
PACIFIC HOTEL MANAGEMENT, LLC

D Employer Identification Number (EIN)
94-2749016

Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions

Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

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

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
71-0294708	86509	PHX438	865	01/01/2009	12/31/2009

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
3667	0

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

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

SITZMANN MORRIS & LAVIS INC
1 KAISER PLZ STE 1101-1
OAKLAND, CA 94612

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
3667			3

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

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

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4	Current value of plan's interest under this contract in the general account at year end	4	247401
5	Current value of plan's interest under this contract in separate accounts at year end	5	1543511

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

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

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

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee (3) ☐ guaranteed investment (4) ☒ other ▶ UNALLOCATED ANNUITY CONTRACT

b	Balance at the end of the previous year			7b	336964
c	Additions: (1) Contributions deposited during the year	7c(1)	40345		
	(2) Dividends and credits	7c(2)			
	(3) Interest credited during the year	7c(3)	9692		
	(4) Transferred from separate account	7c(4)			
	(5) Other (specify below) ▶ LOAN REPAYMENTS	7c(5)	2941		
	(6) Total additions			7c(6)	52978
d	Total of balance and additions (add **b** and **c(6)**)			7d	389942
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	119629		
	(2) Administration charge made by carrier	7e(2)	25		
	(3) Transferred to separate account	7e(3)			
	(4) Other (specify below) ▶ LOAN ISSUES	7e(4)	20460		
	(5) Total deductions			7e(5)	140114
f	Balance at the end of the current year (subtract **e(5)** from **d**)			7f	249828

Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:				
a Premiums: (1) Amount received	**9a(1)**			
(2) Increase (decrease) in amount due but unpaid	**9a(2)**			
(3) Increase (decrease) in unearned premium reserve	**9a(3)**			
(4) Earned (**(1)** + **(2)** - **(3)**)			**9a(4)**	
b Benefit charges (1) Claims paid	**9b(1)**			
(2) Increase (decrease) in claim reserves	**9b(2)**			
(3) Incurred claims (add **(1)** and **(2)**)			**9b(3)**	
(4) Claims charged			**9b(4)**	
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	**9c(1)(A)**			
(B) Administrative service or other fees	**9c(1)(B)**			
(C) Other specific acquisition costs	**9c(1)(C)**			
(D) Other expenses	**9c(1)(D)**			
(E) Taxes	**9c(1)(E)**			
(F) Charges for risks or other contingencies	**9c(1)(F)**			
(G) Other retention charges	**9c(1)(G)**			
(H) Total retention			**9c(1)(H)**	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			**9c(2)**	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			**9d(1)**	
(2) Claim reserves			**9d(2)**	
(3) Other reserves			**9d(3)**	
e Dividends or retroactive rate refunds due. (Do not include amount entered in **c(2)**.)			**9e**	
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			**10a**	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.			**10b**	

Specify nature of costs ▶

Part IV Provision of Information

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

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

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

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

A Name of plan
PACIFIC HOTEL MANAGEMENT, LLC 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
PACIFIC HOTEL MANAGEMENT, LLC

D Employer Identification Number (EIN)
94-2749016

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: VARIABLE ANNUITY ACCOUNT D

b Name of sponsor of entity listed in (a): ING LIFE INSURANCE & ANNUITY CO

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)
71-0294708-000	P	1543511

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE:

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

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

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

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a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

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

A Name of plan
PACIFIC HOTEL MANAGEMENT, LLC 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PACIFIC HOTEL MANAGEMENT, LLC

D Employer Identification Number (EIN)
94-2749016

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)		
(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)	76826	62873
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	983898	1543510
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	336964	249828
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(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	1397688	1856211
	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 through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	1397688	1856211

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)		
	(B) Participants	2a(1)(B)	243759	
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		243759
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	4436	
	(F) Other	2b(1)(F)	9692	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		14128
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		280524
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		538411
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	79613	
(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)		79613
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)	275	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		275
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		79888
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		458523
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) [X] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PANELL, KERR, FORSTER (2) EIN: 95-4354850

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.)	4a	X		5503
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.)	4b		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.)	4c		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.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		165000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		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?	4g		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?	4h		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.)	4i	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.)	4j		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?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		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.	4n			

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
PACIFIC HOTEL MANAGEMENT, LLC 401K PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PACIFIC HOTEL MANAGEMENT, LLC

D Employer Identification Number (EIN)
94-2749016

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1**

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 71-0294708

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 of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

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):

---

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):

PKF
Certified Public Accountants
A Professional Corporation

PKF
Accountants &
business advisers

Independent Auditors' Report

The Trustee of
Pacific Hotel Management, LLC
401(k) Plan

We were engaged to audit the accompanying statements of net assets available for plan benefits of Pacific Hotel Management, LLC 401(k) Plan at December 31, 2009 and 2008, the related statement of changes in net assets available for plan benefits for the year ended December 31, 2009, and supplemental schedules at December 31, 2009. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by Section 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 described in note 5, which was certified by ING Life Insurance and Annuity Company, the Investment Manager of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the Investment Manager holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the Investment Manager as of December 31, 2009 and 2008, and for the year ended December 31, 2009, that the information provided to the plan administrator by the Investment Manager is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the Investment Manager, 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.

PKF

October 7, 2010

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Attachment to 2009 Form 5500

Schedule H, line 4i - Schedule of Assets

(Held at End of Year)

Pacific Hotel Management, LLC 401(k) Plan

EIN# 94-2749016

Plan# 001

As Of December 31, 2009

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investments including maturity date, rate of interest, collateral, par, or maturity date	(d)Cost	(e) Current Value
	FIDELITY FUNDS	FIDELITY VIP OVERSEAS		$153,968
*	ING Life Insurance And Annuity Company	ING Fixed Account		$249,828
*	ING Life Insurance And Annuity Company	ING PIMCO TOTAL RTN PORT		$209,256
*	ING Life Insurance And Annuity Company	ING Solution 2015 Port-Svc		$2,999
*	ING Life Insurance And Annuity Company	ING Solution 2025 Port-Svc		$29,149
*	ING Life Insurance And Annuity Company	ING Solution 2035 Port-Svc		$3,476
*	ING Life Insurance And Annuity Company	ING Solution 2045 Port-Svc		$11,044
*	ING Life Insurance And Annuity Company	ING Solution Income Port-Svc		$1,753
*	ING Life Insurance And Annuity Company	ING Stock Index Port		$128,095
*	ING Life Insurance And Annuity Company	ING T.ROWE PR GR EQ PORT		$201,731
*	ING Life Insurance And Annuity Company	ING VAN KAMPEN EQ&INC		$97,533
	LORD ABBETT FUNDS	LORD ABBETT SMALL-CAP VALUE		$457,226
	OPPENHEIMER FUNDS	OPPENHEIMER MAIN STREET FD		$119,021
	VANGUARD FUNDS	VVIF- DIVERSIFIED VALUE PORT		$128,260
		Participant Loans - Rates 4.25% to 4.25%		$62,873
		TOTAL		$1,856,211

* denotes party-in-interest

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

PACIFIC HOTEL MANAGEMENT, LLC
401(k) PLAN

Financial Statements
for the years ended
December 31, 2009 and 2008

TABLE OF CONTENTS

	Page Number
Independent Auditors' Report	1
Statements of Net Assets Available for Plan Benefits - December 31, 2009 and 2008	2
Statement of Changes in Net Assets Available for Plan Benefits - Year Ended December 31, 2009	3
Notes to Financial Statements	4 – 10
Schedule of Assets Held for Investment Purposes - December 31, 2009	11
Schedule of Delinquent Participant Contributions – December 31, 2009	12

PKF
Certified Public Accountants
A Professional Corporation

PKF
Accountants &
business advisers

Independent Auditors' Report

The Trustee of
Pacific Hotel Management, LLC
401(k) Plan

We were engaged to audit the accompanying statements of net assets available for plan benefits of Pacific Hotel Management, LLC 401(k) Plan at December 31, 2009 and 2008, the related statement of changes in net assets available for plan benefits for the year ended December 31, 2009, and supplemental schedules at December 31, 2009. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by Section 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 described in note 5, which was certified by ING Life Insurance and Annuity Company, the Investment Manager of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the Investment Manager holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the Investment Manager as of December 31, 2009 and 2008, and for the year ended December 31, 2009, that the information provided to the plan administrator by the Investment Manager is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the Investment Manager, 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.

PKF

October 7, 2010

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PACIFIC HOTEL MANAGEMENT, LLC
401(k) PLAN

Statements of Net Assets Available
for Plan Benefits

Assets

	December 31,	
	2009	2008
Assets		
Investments		
General accounts	$ 247,401	$ 348,560
Pooled separate accounts	1,543,510	983,898
Total investments	1,790,911	1,332,458
Contribution receivable - participants	10,814	8,408
Participant loans	62,873	76,826
Total assets	1,864,598	1,417,692
Excess contributions	2,768	-
Total liabilities	2,768	-
Net assets available for plan benefits	$ 1,861,830	$1,417,692

See notes to financial statements

PACIFIC HOTEL MANAGEMENT, LLC
401(k) PLAN

Statement of Changes in Net Assets Available for Plan Benefits
For the Year Ended December 31, 2009

Additions to net assets attributed to	
Investment income (loss)	
Interest from general account and participant loans	$ 14,128
Net realized and unrealized losses from general account	(14,023)
Net realized and unrealized gains from pooled separate accounts	280,524
Total investment income (loss)	280,629
Contributions	
Employee - including rollover	243,397
Total contributions	243,397
Total additions, less investment losses	524,026
Deductions from net assets attributed to:	
Benefits paid to participants and distributions of participant loans	79,613
Administrative expenses	275
Total deductions	79,888
Net increase in net assets available for plan benefits	444,138
Net assets available for plan benefits	
Beginning of year	1,417,692
End of year	$ 1,861,830

See notes to financial statements

PACIFIC HOTEL MANAGEMENT, LLC
401(k) PLAN

Notes to Financial Statements
December 31, 2009 and 2008

Note 1 - Description of plan

The following description of the Pacific Hotel Management, LLC 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. The Plan was originally effective July 1, 1999. It was amended and restated effective January 1, 2002, to be in compliance with the pension plan requirements (commonly referred to as "GUST") and the applicable provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001.

General

The Plan is a defined contribution plan available to all employees of Pacific Hotel Management, LLC and certain affiliated companies (the Company) who meet the eligibility requirements. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Eligibility

Employees become eligible after the completion of six months of service, and covered employees must meet minimum age requirements of 21 years.

The Plan is not available to those employees covered by a union contract under which retirement benefits are the subject of collective bargaining and interns.

Contributions

The Plan allows participants to elect to have a portion of their compensation, as defined by the Plan, to be deferred on their behalf in lieu of receiving such amount as compensation. The maximum compensation deferral during 2009 was $16,500. For participants age fifty and older, an additional catch-up provision of $5,500 was allowed under the Plan during 2009.

Employer contributions are discretionary. No employer contributions were made for 2009 and 2008.

Investment elections

Each participant may direct that salary reduction contributions be invested in one or more of the available investment options.

Participant accounts

Each participant's account is credited with the participant's contributions and an allocation of earnings or losses from the Participant's self directed investments. Participant accounts are valued daily based on the number of units held and closing prices, or accumulation unit values, as applicable. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Note 1 - Description of plan (continued)

Vesting

Each participant immediately has a 100% vested interest in their contributions to the Plan. Employer contributions have not been made since the inception of the Plan.

Payment of benefits

Upon retirement or disability, the participant is entitled to receive 100% of his account. Upon the death of the participant, the participant's spouse or beneficiary shall be entitled to receive 100% of the participant's account. Retirement is defined as the date the participant reaches age 65. Disability is defined as a condition in which the participant is no longer able to continue in the participant's service, due to being totally and permanently disabled as defined in the Plan.

If the participant's employment is terminated, the participant will have a nonforfeitable right to 100% of their account. Hardship distributions are made to participants under certain circumstances at the discretion of the plan administrator. Such distributions are limited to the participant's elective contributions and rollover contributions.

Participant loans

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum of $50,000 or 50% of their account balance, whichever is less. The loans are secured by the balance in the participant's account and bear interest at a rate of 1% above the prime rate as published in the Wall Street Journal.

Management of trust fund

An employee of the Company functions as trustee of the Plan subject to guidelines established by the trust agreement. The trustee is responsible for the investment and administration of the retirement fund in accordance with the trust agreement. The trustee receives no compensation from the Plan.

Administrative expenses

The Plan incurs additional fees and expenses in connection with its operation. These fees and expenses may include administrative charges and Trustees' fees. The Company, at its discretion, may charge all or a portion of these fees against the trust or may pay these fees directly. The administrative fee charged when making a loan from the Plan is deducted from the participant's account balance.

Note 2 - Summary of accounting policies

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 10 for discussion of fair value measurements.

Purchase and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis.

Net appreciation (depreciation) in fair value of investments includes realized and unrealized gains and losses on investments sold or held during the year, net of fund investment expense.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan's investment contract is not considered benefit responsive, and accordingly, is stated at fair value. Investments are credited with earnings of the underlying investments and charged for Plan withdrawals.

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

Benefits are recorded when paid.

The Plan has evaluated subsequent events through October 7, 2010, the date the financial statements were available to be issued and has determined no events or transactions need to be recognized or disclosed in these financial statements.

Note 3 - Plan termination

The Company reserves the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. If there is a partial or total termination of the Plan, or a complete discontinuance of Company contributions to the Plan, participants will be 100% vested in the value of their accounts.

Note 4 - Federal income taxes

The Internal Revenue Service has determined that the Plan is qualified and the trust established under the Plan is tax-exempt under the appropriate sections of the code.

Note 5 - Investments and aggregated funds

In the Statement of Net Assets Available for Plan Benefits, certain participant investment options funds have been aggregated with similar investment objectives. The schedule of investments, at fair value, including aggregated funds and assets exceeding 5% of plan investments are as follows:

	December 31,	
	2009	2008
At fair value		
ING Fixed Account – unallocated contract	$ 247,401	$ 348,560
Fidelity VIP Overseas	153,967	53,530
ING PIMCO Total Return Portfolio	209,256	209,716
ING T. Rowe Pr Growth Equity Portfolio	201,731	127,328
ING Van Kampen Equity & Inc.	97,533	59,398
Lord Abbett Small-Cap value	457,226	287,506
Oppenheimer Main Street Fund	119,021	62,715
VVIF – Diversified Value Portfolio	128,260	82,434
ING Solution 2015 Portfolio Svc	2,999	721
ING Solution 2025 Portfolio Svc	29,149	9,871
ING Solution 2035 Portfolio Svc	3,476	922
ING Solution 2045 Portfolio Svc	11,044	3,558
ING Solution Income Portfolio Svc	1,753	768
ING Stock Index Port	128,095	85,431
Total investments	$ 1,790,911	$ 1,332,458

Note 6 - Reconciliation of financial statements to Form 5500

The following is a reconciliation of net assets available for plan benefits per the financial statements to the Form 5500:

	December 31,	
	2009	2008
Net assets available for plan benefits per the financial statements	$ 1,861,830	$ 1,417,692
Market value adjustment	2,427	(11,596)
Excess contributions	2,768	-
Contribution receivable	(10,814)	(8,408)
Net assets available for plan benefits per the Form 5500	$ 1,856,211	$ 1,397,688

Note 6 - Reconciliation of financial statements to Form 5500 (continued)

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

Net increase per the financial statements	$ 444,138
Market value adjustment	14,023
Excess contribution	2,768
Decrease in contributions receivable	(2,406)
Net decrease per the Form 5500	$ 458,523

Note 7 - Investment Manager Certification

All investment information disclosed in the accompanying financial statements and supplemental schedules including investments held at December 31, 2009 and 2008, and net appreciation (depreciation) in fair value of investments, interest, and investment expenses for the year ended December 31, 2009, were obtained or derived from information supplied to the Plan Administrator and certified as complete and accurate by the Investment Manager.

Note 8 - Party-in-interest transactions

Certain Plan investments are units of participation in pooled separate accounts managed by ING Life Insurance and Annuity Company. ING Life Insurance and Annuity Company is the Investment Manager as defined by the Plan. PKF performs the annual audit of the Plan's financial statements. These transactions qualify as party-in-interest transactions.

Note 9 - Risks and uncertainties

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

The Plan held substantially all of its assets with one institution. In the event of the institution's failure, the Plan could be subject to losses in its funds to the extent of dollar invested in the funds.

Note 10 – Fair value measurements

Financial Accounting Standards Board Statement No. 157, *Fair Value Measurements* (FASB Statement No. 157), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). 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.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1: Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

- Level 2: Valuations based on quoted prices in markets that are not active or quoted prices for similar assets or liabilities in active market or for which all significant inputs are observable, either directly or indirectly, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. The fair value of pooled separate account is determined using Level 2 inputs.

- Level 3: Valuations based on inputs that are unobservable in the market and significant to the overall fair value measurement. The fair value of general accounts and participant loans are determined using Level 3 inputs.

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

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

Assets at Fair Value as of December 31, 2009

	Level 1	Level 2	Level 3	Total
Pooled separate account	$ -	$ 1,543,510	$ -	$ 1,543,510
General accounts	-	-	247,401	247,401
Participant loans	-	-	62,873	62,873
Total assets at fair value	$ -	$ 1,543,510	$ 310,274	$ 1,853,784

Note 10 – Fair value measurements (continued)

Assets at Fair Value as of December 31, 2008

	Level 1	Level 2	Level 3	Total
Pooled separate account	$ -	$ 983,898	$ -	$ 983,898
General accounts	-		348,560	348,560
Participant loans	-	-	76,826	76,826
Total assets at fair value	$ -	$ 983,898	$ 425,386	$ 1,409,284

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

Level 3 Assets

Year ended December 31, 2009

	General accounts	Participant loans
Beginning balance	$ 348,560	$ 76,826
Unrealized gains (losses) relating to instrument still held at December 31, 2009	(2,427)	-
Purchases, sales, issuance and settlements (net)	(98,732)	(13,953)
Ending balance	$ 247,401	$ 62,873

Unrealized gains (losses) for the period above are reported in net appreciation in fair value of investments in the Statement of Changes in Net Assets Available for Plan Benefits.

Note 11 – Delinquent participant contributions

As required by ERISA Section 2510.3-102, the Plan sponsor is required to segregate employee contributions to the Plan from its general assets as soon as practicable, but in no event more than 15 business days of the month following the month in which the participant contributions are withheld or received by the employer. For the year ended December 31, 2009, the total amount of participant contributions and loan repayments that were funded late was $5,503. Delinquent participant contributions and loan repayments constitute prohibited transactions.

Note 12 - Refund of Excess Contributions

The Plan did not pass the discrimination test for the year ended December 31, 2009. As a result, excess contributions in the amount of $2,768 were recorded as liability as of December 31, 2009.

PACIFIC HOTEL MANAGEMENT, LLC
401(k) PLAN

Form 5500, Schedule H, Part IV, Line 4i
Schedule of Assets Held for Investment Purposes
December 31, 2009

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investmets including maturity date, rate of interest, collateral, par, or maturity date	(d) Current Value	
	Fidelity Funds	Fidelity VIP Overseas	$ 153,968	
*	ING Life Insurance And Annuity Company	ING Fixed Account	249,828	***
*	ING Life Insurance And Annuity Company	ING PIMCO Total Return Portfolio	209,256	
*	ING Life Insurance And Annuity Company	ING Solution 2015 Port-Svc	2,999	
*	ING Life Insurance And Annuity Company	ING Solution 2025 Port-Svc	29,149	
*	ING Life Insurance And Annuity Company	ING Solution 2035 Port-Svc	3,476	
*	ING Life Insurance And Annuity Company	ING Solution 2045 Port-Svc	11,044	
*	ING Life Insurance And Annuity Company	ING Solution Income Port-Svc	1,753	
*	ING Life Insurance And Annuity Company	ING Stock Index Port	128,095	
*	ING Life Insurance And Annuity Company	ING T. Rowe Pr Growth Equity Portfolio	201,731	
*	ING Life Insurance And Annuity Company	ING Van Kampen Equity & Inc.	97,533	
	Lord Abbett Funds	Lord Abbett Small-Cap Value	457,226	
	Oppenheimer Funds	Oppenheimer Main Street Fund	119,021	
	Vanuguard Funds	VVIF - Diversified Value Portfolio	128,260	
		Total Investments	$ 1,793,339	
		Participant Loans - Rates 4.25% to 4.25%	$ 62,873	

* Denotes party-interest

** Cost information is not required for participant-directed investment, hence, it is not included.

*** ING Fixed Account was reported at contract value on the Schedule of Assets Held for Investment Purposes. The fair value of this investment as of December 31, 2009 was $247,401, as reflected on the Statements of Net Assets Available for Plan Benefits.

PACIFIC HOTEL MANAGEMENT, LLC
401(k) PLAN

Schedule H, Line 4a - Schedule of Delinquent Participant Contributions
December 31, 2009

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			
Check here if Late Participant Loan Repayments are included: ☑	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-81
$ 5,503		$ 5,503		$ 5,503