

<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>
--	--	---

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><input type="checkbox"/> a multiemployer plan;</div><div><input checked="" type="checkbox"/> a single-employer plan;</div><div><input type="checkbox"/> a multiple-employer plan; or</div><div><input type="checkbox"/> a DFE (specify) ____</div></div>
B	This return/report is: <div><div><input type="checkbox"/> the first return/report;</div><div><input type="checkbox"/> the final return/report;</div><div><input type="checkbox"/> an amended return/report;</div><div><input type="checkbox"/> a short plan year return/report (less than 12 months).</div></div>
C	If the plan is a collectively-bargained plan, check here. ▶ <input type="checkbox"/>
D	Check box if filing under: <div><div><input checked="" type="checkbox"/> Form 5558;</div><div><input type="checkbox"/> automatic extension;</div><div><input type="checkbox"/> the DFVC program;</div><div><input type="checkbox"/> special extension (enter description)</div></div>

Part II	Basic Plan Information—enter all requested information	
1a	Name of plan SANDLER, O NEILL & PARTNERS, L.P. PROFIT SHARING 401(K) SAVINGS PLAN	1b Three-digit plan number (PN) ▶ 001
		1c Effective date of plan 01/01/1989
2a	Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) SANDLER, O NEILL & PARTNERS, L.P. 919 THIRD AVE NEW YORK, NY 10022 6TH FLOOR NEW YORK, NY 10022	2b Employer Identification Number (EIN) 13-3481277 2c Sponsor's telephone number 212-466-7781 2d Business code (see instructions) 523110

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.	10/12/2010	MAY DELLA PIETRA
	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") SANDLER, O NEILL & PARTNERS, L.P. 919 THIRD AVE NEW YORK, NY 10022	3b Administrator's EIN 13-3481277 3c Administrator's telephone number 212-466-7781
---	---

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	297
---	----------	-----

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	254
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	47
d Subtotal. Add lines 6a , 6b , and 6c	6d	301
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	301
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	249
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 2H 2J 3B 3D

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

9a Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> 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) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input type="checkbox"/> A (Insurance Information) (4) <input checked="" type="checkbox"/> C (Service Provider Information) (5) <input checked="" type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules)
--	--

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider 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 SANDLER, O NEILL & PARTNERS, L.P. PROFIT SHARING 401(K) SAVINGS PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 SANDLER, O NEILL & PARTNERS, L.P.	D Employer Identification Number (EIN) 13-3481277

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
ING INSTITUTIONAL PLAN SERVICES LLC
02-0488491

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

(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 disclosures on eligible indirect compensation

(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 disclosures on eligible indirect compensation

(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 disclosures on eligible indirect compensation

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

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)

ING INSTITUTIONAL PLAN SERVICES LLC

02-0488491

(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?
15 37 64 25 26 27 60 63	RECORDKEEPER	30088	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

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

MORGAN STANLEY SMITH BARNEY HOLDING

26-4310632

(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?
67	BROKER	0	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	19867	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

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.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service	(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
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**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) 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 SANDLER, O NEILL & PARTNERS, L.P. PROFIT SHARING 401(K) SAVINGS PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 SANDLER, O NEILL & PARTNERS, L.P.	D Employer Identification Number (EIN) 13-3481277	

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)	500000	500000
(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)	2544482	3757595
(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)	4012579	4188780
(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)	198996	267898
(9) Value of interest in common/collective trusts.....	1c(9)		34132
(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)	13727433	20288667
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	538210	1148858

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	21521700	30185930

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	21521700	30185930
---	-----------	----------	----------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	500000	
(B) Participants	2a(1)(B)	2627410	
(C) Others (including rollovers)	2a(1)(C)	236533	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		3363943

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	159	
(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)	20671	
(F) Other	2b(1)(F)	41453	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		62283

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	94847	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	273557	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		368404

(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)		544
(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)		5294647
c Other income.....	2c		374656
d Total income. Add all income amounts in column (b) and enter total.....	2d		9464477

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	726502	
(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)		726502
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)	73745	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		73745
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		800247

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		8664230
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: BDO SEIDMAN

(2) EIN: 13-5381590

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		4000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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

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

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

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>SANDLER, O NEILL & PARTNERS, L.P. PROFIT SHARING 401(K) SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SANDLER, O NEILL & PARTNERS, L.P.</u>	D Employer Identification Number (EIN) <u>13-3481277</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>04-3581074</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)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> 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.....	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
11 a Does the ESOP hold any preferred stock?	<input type="checkbox"/> Yes	<input type="checkbox"/> 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.)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	<input type="checkbox"/> Yes	<input type="checkbox"/> 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): _____

- 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): _____

Sandler O'Neill & Partners, L.P. Profit Sharing/401(k) Plan

Financial Statements and Supplemental Schedule Years Ended December 31, 2009 and 2008

The report accompanying these financial statements was issued by BDO USA, LLP, a New York limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

**Sandler O'Neill & Partners, L.P.
Profit Sharing/401(k) Plan**

**Financial Statements
and Supplemental Schedule**
Years Ended December 31, 2009 and 2008

Sandler O'Neill & Partners, L.P. Profit Sharing/401(k) Plan

Contents

Independent auditors' report	3
Financial statements:	
Statements of net assets available for benefits	4
Statement of changes in net assets available for benefits	5
Notes to financial statements	6-20
Supplemental schedule:	
Schedule of assets (held at end of year)	21-23



Tel: 212-885-8000
Fax: 212 697-1299
www.bdo.com

100 Park Avenue
New York, NY 10017

Independent Auditors' Report

Plan Sponsor of the
Sandler O'Neill & Partners, L.P.
Profit Sharing/401(k) Plan
New York, New York

We have audited the accompanying statements of net assets available for benefits of the Sandler O'Neill & Partners, L.P. Profit Sharing/401(k) Plan ("Plan") as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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

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

BDO USA, LLP

New York, New York

August 11, 2010

BDO USA, LLP, a New York limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Sandler O'Neill & Partners, L.P.

Profit Sharing/401(k) Plan

Statements of Net Assets Available for Benefits

<i>December 31,</i>	2009	2008
Assets		
Investments, at fair value (Notes 3, 5, 6 and 9):		
Mutual funds	\$20,288,667	\$13,727,432
Money market funds	3,685,814	2,876,701
Common stocks	2,726,327	1,876,621
U.S. government and agency securities	1,355,278	1,454,297
Investment in group trust	1,148,858	538,210
Exchange-traded funds	107,175	277,821
Participant loans	267,898	198,996
Cash	71,781	71,622
Common/collective trust	34,132	-
Total investments	29,685,930	21,021,700
Receivables:		
Employer's contribution	500,000	500,000
Net assets available for benefits	\$30,185,930	\$21,521,700

See accompanying notes to financial statements.

Sandler O'Neill & Partners, L.P. Profit Sharing/401(k) Plan

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2009

Additions to net assets attributed to:	
Contributions:	
Participants	\$ 2,627,410
Employer	500,000
Rollover	236,533
Total contributions	3,363,943
Investment income:	
Net appreciation in fair value of investments (Note 3)	5,669,847
Dividend income	368,404
Interest income	41,612
Interest income from participant loans	20,671
Total investment income	6,100,534
Total additions	9,464,477
Deductions from net assets attributed to:	
Benefits paid to participants and beneficiaries	726,502
Administrative expenses	73,745
Total deductions	800,247
Net increase	8,664,230
Net assets available for benefits, beginning of year	21,521,700
Net assets available for benefits, end of year	\$30,185,930

See accompanying notes to financial statements.

Sandler O'Neill & Partners, L.P. Profit Sharing/401(k) Plan

Notes to Financial Statements

1. Description of Plan

The following description of the Sandler O'Neill & Partners, L.P. Profit Sharing/401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan document or Summary Plan Description for a more complete description of the Plan's provisions. The Plan administrator is Sandler O'Neill & Partners, L.P.

General

The Plan is a contributory defined contribution profit sharing plan which includes a salary deferral feature under Section 401(k) of the Internal Revenue Code ("IRC") covering eligible employees of Sandler O'Neill & Partners, L.P. and Sandler O'Neill Mortgage Finance, L.P. (collectively referred to as the "Company"), as defined, which was established on January 1, 1989. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Eligibility

The Plan covers all employees of the Company who have reached age 21 and who have been employed for 12 consecutive months during which he or she completed 1,000 hours of service.

Participant Accounts

Participant accounts consist of (a) a Pre-tax Contribution Account; (b) a Catch-up Contribution Account; (c) a Profit-sharing Contribution Account; and (d) a Rollover Contribution Account. Each participant's account is credited with contributions and allocated earnings thereon, and charged with a proportionate share of administrative expenses.

Sandler O'Neill & Partners, L.P.

Profit Sharing/401(k) Plan

Notes to Financial Statements

Contributions

401(k)

Participants may contribute up to 15% of their annual compensation, as defined in the Plan, subject to certain limitations, with contributions and earnings thereon being nontaxable until withdrawn from the Plan.

Profit Sharing

The Company may choose to make a discretionary profit sharing contribution. Contributions are allocated among participant accounts in proportion to compensation, as defined. The employer contributions were \$500,000 for both years.

Investment Decisions

401(k)

Plan participants may direct the investment of their contributions and account balances among various mutual funds. Information regarding these investment alternatives is available in a prospectus.

Profit Sharing

Investment decisions regarding employer contributions are made at the discretion of Family Management Securities, LLC, the investment manager for the profit sharing plan. Investment results are allocated among participant accounts in proportion to participant account balances, as defined.

Vesting

Participants are immediately vested in their contributions plus allocated earnings thereon. The Company's discretionary contribution plus allocated earnings thereon is vested based on years of service. A year of service is defined by the Plan as twelve consecutive months during which the employee completed 1,000 hours of service.

Sandler O'Neill & Partners, L.P.

Profit Sharing/401(k) Plan

Notes to Financial Statements

The vesting computation is as follows:

Completed years of service	Percent vested
Less than 1	-%
At least 1 but less than 2	-
At least 2 but less than 3	20
At least 3 but less than 4	40
At least 4 but less than 5	60
At least 5 but less than 6	80
6 or more	100

Participant Loans

Participants may borrow from their Plan accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 reduced by the highest outstanding loan balance during the preceding 12 months or 50% of their vested account balance. The outstanding principal balances of loans are deducted from the respective participants' accounts for the purpose of allocating Plan investment gains and losses. Loan terms range from 1 to 5 years or greater than 5 years if the loan is used to acquire a participant's principal residence. The loans are secured by the vested balance of the participants' accounts and bear interest at a rate reasonably equivalent to interest rates of commercial lenders for similar loans in the same geographic area. Loans outstanding during fiscal year ended December 31, 2009 bore interest at a rate of 9.75%. Principal and interest must be repaid with substantially level payments made at least once each quarter through payroll deduction by participants employed by the Company.

Payment of Benefits

The Plan provides for death, disability, hardship, termination, and retirement benefits, as well as distributions to participants who have reached age 59½. Benefits are distributed based on the elections made on the participant distribution form.

Sandler O'Neill & Partners, L.P.

Profit Sharing/401(k) Plan

Notes to Financial Statements

Forfeited Accounts

At December 31, 2009 and 2008, forfeited nonvested amounts totaled approximately \$18,400 and \$27,900, respectively. These amounts were allocated among participant accounts at December 31, 2009 and 2008 in proportion to compensation, as defined.

Administrative Expenses

The administrative expenses of the Plan are paid by either the Plan or the Company.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements are prepared on the accrual method of accounting.

FASB Accounting Standards Codification™

In July 2009, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles" ("Codification" or "ASC") to become the source of authoritative U.S. generally accepted accounting principles ("U.S. GAAP") recognized by the FASB to be applied by nongovernmental entities. All other accounting literature not included in the Codification will be considered non-authoritative. The Codification does not change current U.S. GAAP. References to authoritative U.S. GAAP literature in the Plan's financial statements and the notes thereto have been updated to reflect new Codification references.

Sandler O'Neill & Partners, L.P.

Profit Sharing/401(k) Plan

Notes to Financial Statements

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Shares of registered investment companies ("mutual funds") are valued at the net asset value of shares held by the Plan at year-end. Shares of common/collective trusts ("CCT's") are valued at net unit value as determined by the Trustee at year-end except when holding fully benefit-responsive investment contracts. The fair value of such investment contracts held by the CCT's are determined using the market price of the underlying securities and the value of the investment contract.

The Plan held shares of CCT's that have investments in fully benefit-responsive investment contracts. For purposes of the statements of net assets available for benefits, these CCT's are stated at fair value. As described in ASC 962 (formerly FASB Staff Position FSP AAG INV-1 and SOP 94-4-1, "Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans"), CCT's with underlying investment contracts held by a defined-contribution plan are required to be reported at fair value.

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

Sandler O'Neill & Partners, L.P.

Profit Sharing/401(k) Plan

Notes to Financial Statements

The Plan follows ASC 820 (formerly SFAS No. 157), "Fair Value Measurements", which establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Plan. Unobservable inputs are inputs that reflect the Plan's assumptions about the factors market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Valuation adjustments and block discounts are not applied to Level 1 instruments.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary from product to product and is affected by a wide variety of factors, including, for example, the type of product, whether the product is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Plan in determining fair value is greatest for instruments categorized in Level 3.

Sandler O'Neill & Partners, L.P.

Profit Sharing/401(k) Plan

Notes to Financial Statements

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Plan's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Plan uses prices and inputs that are current as of the measurement date, including during periods of market dislocation.

Effective June 30, 2009, the Plan adopted ASC 820-10 (formerly FASB Staff Position No. 157-4), "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly". ASC 820-10 provides additional guidance for estimating fair value in accordance with ASC 820-10 when the volume and level of activity for the asset or liability have significantly decreased.

The following are types of investments the Plan held as of December 31, 2009:

Mutual Funds

Shares of registered investment companies ("mutual funds") are valued at the net asset value of shares held by the Plan at year-end and categorized in Level 2 of the fair value hierarchy.

Money Market Funds

The money market funds make investments in other financial instruments including short-term debt securities and U.S. Treasury securities. The investments in the money market funds are categorized in Level 2 of the fair value hierarchy.

Common Stocks

Common stocks are generally valued based on quoted prices from the exchange. To the extent these securities are actively traded, valuation adjustments are not applied and they are categorized in Level 1 of the fair value hierarchy.

Sandler O'Neill & Partners, L.P.

Profit Sharing/401(k) Plan

Notes to Financial Statements

U.S. Government and Agency Securities

U.S. government and agency securities include to-be-announced ("TBA") securities and mortgage pass-through certificates. TBA securities are generally valued using quoted market prices or are benchmarked thereto. Fair value of mortgage pass-through certificates is determined via a model, which considers different rate scenarios and historical activity to calculate a spread to the comparable TBA security. U.S. government and agency securities and mortgage pass-through certificates are generally categorized in Level 2 of the fair value hierarchy.

Investment in Group Trust

Investment in group trust is valued at its net asset value as reported by the underlying funds in accordance with their respective agreements.

The assets of the investment in group trust consist principally of readily marketable securities, which are valued at quoted market prices. However, because the Plan does not directly invest in the underlying securities of the investment funds, and due to restrictions on the transferability and timing of withdrawals from the portfolio funds, the amounts realized upon liquidation could differ from such reported values.

The investment is included in Level 3 of the fair value hierarchy.

Exchange-Traded Funds

Exchange-traded funds are generally valued based on quoted prices from the exchange. To the extent these securities are actively traded, valuation adjustments are not applied and they are categorized in Level 1 of the fair value hierarchy.

Sandler O'Neill & Partners, L.P.

Profit Sharing/401(k) Plan

Notes to Financial Statements

Payments of Benefits

Distributions to participants of their vested balances are recorded when paid.

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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to prior year information to conform with the current year's presentation.

3. Investments and Fair Value

The following presents investments that represent 5% or more of the Plan's net assets:

<i>December 31,</i>	2009	2008
Amer. Euro Growth Fund	\$1,164,490	\$ -*
Janus Twenty	4,734,873	2,892,665
JP Morgan Emerg. Mkts.	2,015,589	-*
Royce Macro Cap	1,564,643	-*
T. Rowe Price Equity Income	2,525,866	1,805,673

* Less than 5%

During 2009, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$5,669,847.

Sandler O'Neill & Partners, L.P.

Profit Sharing/401(k) Plan

Notes to Financial Statements

The Plan's assets recorded at fair value have been categorized as Levels 1, 2 and 3 based upon a fair value hierarchy as of December 31, 2009.

	Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
Assets				
Mutual funds:				
Domestic stock funds	\$ -	\$13,719,602	\$ -	\$13,719,602
International stock funds	-	3,630,080	-	3,630,080
Fixed income funds	-	2,871,982	-	2,871,982
Asset allocation funds	-	67,003	-	67,003
Total mutual funds	-	20,288,667	-	20,288,667
Money market funds	-	3,685,814	-	3,685,814
Common stocks:				
Consumer staples	610,128	-	-	610,128
Energy	264,359	-	-	264,359
Financials	197,160	-	-	197,160
Health care	610,794	-	-	610,794
Industrials	303,540	-	-	303,540
Information technology	100,368	-	-	100,368
Materials	92,986	-	-	92,986
Oil and gas	118,872	-	-	118,872
Telecom services	137,347	-	-	137,347
Utilities	290,773	-	-	290,773
Total common stocks	2,726,327	-	-	2,726,327
U.S. government and agency securities	-	1,355,278	-	1,355,278
Investment in group trust	-	-	1,148,858	1,148,858
Exchange-traded funds	107,175	-	-	107,175
Participant loans	-	267,898	-	267,898
Cash	71,781	-	-	71,781
Common/collective trust	-	34,132	-	34,132
	\$2,905,283	\$25,631,789	\$1,148,858	\$29,685,930

Sandler O'Neill & Partners, L.P.

Profit Sharing/401(k) Plan

Notes to Financial Statements

The Plan's assets recorded at fair value have been categorized as Levels 1, 2 and 3 based upon a fair value hierarchy as of December 31, 2008.

	Fair Value Hierarchy			Total
	Level 1	Level 2	Level 3	
Assets				
Mutual funds	\$ -	\$13,727,432	\$ -	\$13,727,432
Money market funds	-	2,876,701	-	2,876,701
Common stocks	1,876,621	-	-	1,876,621
U.S. government and agency securities	-	1,454,297	-	1,454,297
Investment in group trust	-	-	538,210	538,210
Exchange-traded funds	277,821	-	-	277,821
Participant loans	-	198,996	-	198,996
Cash	71,622	-	-	71,622
	\$2,226,064	\$18,257,426	\$538,210	\$21,021,700

Sandler O'Neill & Partners, L.P. Profit Sharing/401(k) Plan

Notes to Financial Statements

Changes in Level 3 assets are measured at fair value on a recurring basis for the year ended December 31, 2009.

	Beginning balance	Realized gains or losses	Unrealized gains or losses	Purchases, sales, other settlements and issuances, net	Net transfers in and/or out of level	Ending balance
Assets						
Investment in group trust	\$538,210	\$ -	\$110,648	\$500,000	\$ -	\$1,148,858

Changes in Level 3 assets are measured at fair value on a recurring basis for the year ended December 31, 2008.

	Beginning balance	Realized gains or losses	Change in unrealized gains or losses	Purchases, sales, other settlements and issuances, net	Net transfers in and/or out of level	Ending balance
Assets						
Investment in group trust	\$-	\$-	\$(111,790)	\$650,000	\$-	\$538,210

Sandler O'Neill & Partners, L.P.

Profit Sharing/401(k) Plan

Notes to Financial Statements

4. **Stable Asset Fund** The Morley Stable Value Fund ("Fund") is a collective investment trust under the trusteeship of Union Bond & Trust Company. The Fund consists of a diversified portfolio of high quality stable value investment contracts issued by life insurance companies and banks, and other high quality fixed income assets. The principal value of these assets is intended to remain stable regardless of stock and bond market fluctuations. The income return on the Fund is a blend of all the rates of the various investments purchased by the Fund. This accrual of income is reflected in the Fund's unit price which is priced daily and is not held constant.
5. **Nonparticipant-Directed Investments** Information about net assets and the significant components of the changes in net assets relating to the nonparticipant-directed investments is as follows:

<i>December 31,</i>	2009	2008
Common stocks	\$2,726,327	\$1,876,621
U.S. government and agency securities	1,355,278	1,454,297
Exchange-traded funds	107,175	277,821
Investment in group trust	1,148,858	538,210
Money market fund	100,627	403,840
Cash	71,781	71,622
Total investments	5,510,046	4,622,411
Employer's contributions receivable	500,000	500,000
	\$6,010,046	\$5,122,411

Sandler O'Neill & Partners, L.P.

Profit Sharing/401(k) Plan

Notes to Financial Statements

Year ended December 31, 2009

Changes in net assets:	
Contributions (employer's)	\$500,000
Interest income	41,612
Dividend income	94,847
Net appreciation in fair value of investments	374,656
Benefits paid to participants and beneficiaries	(79,823)
Administrative expenses	(43,657)
	<u>\$887,635</u>

**6. Risks and
Uncertainties**

The Plan's investment options are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

The Plan is subject to liquidity risk, among other risks related to its investments in investment funds. Certain of these investments in investment funds require the Plan to maintain its initial investment, or a portion of its initial investment, for a period of one year from initial contribution date ("lock-up period"). The Plan is subject to liquidity risk resulting from this potential lock-up period in the event the Plan is not able to liquidate its investments to satisfy members' withdrawals.

**7. Federal Income
Tax Status**

The Plan is qualified under Section 401(a) of the Internal Revenue Code and its related trust is exempt from taxation under Section 501(a) of the Internal Revenue Code. A favorable determination by the Internal Revenue Service was issued in its letter dated July 29, 2003, and although the Plan has been amended since that date, the Plan sponsor believes that the Plan continues to qualify and operate as designed.

Sandler O'Neill & Partners, L.P.

Profit Sharing/401(k) Plan

Notes to Financial Statements

- 8. Plan Termination** Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate, amend, modify or suspend the Plan in whole or in part, at any time subject to the provisions of ERISA. In the event of Plan termination, all participants will become fully vested in their accounts.
- 9. Party-In-Interest Transactions** Participant loans qualify as exempt party-in-interest transactions.
- 10. Subsequent Events** The Company evaluated all events that occurred from January 1, 2009 through August 11, 2010, the date the financial statements were available to be issued. During the period, the Company did not have any material recognizable subsequent events.

Sandler O'Neill & Partners, L.P. Profit Sharing/401(k) Plan

Schedule of Assets (Held at End of Year) EIN: 13-3481277 Plan No. 001

December 31, 2009

(a)	(b)	(c)	(d)	(e)
Identity of issue, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value	
Cash				\$ 71,781
Money market funds:				
Western Asset Government Money Market Fund	Money market fund, 3,585,187 shares	a		3,585,187
Dreyfus Treasury Prime Market Fund	Money market fund, 100,627 shares	a		100,627
Total money market funds				3,685,814
Mutual funds:				
AIM Small Company Growth	Mutual funds, 24,851.0654 shares	a		578,036
Amer. Euro Growth Fund	Mutual funds, 42,319.5381 shares	a		1,614,491
American Funds Fundamental Investors A	Mutual funds, 28,827.8348 shares	a		943,247
Columbia Intermed Bond Fund - Z Share	Mutual funds, 57,371.2121 shares	a		504,293
CRM Mid Cap Value Inv.	Mutual funds, 22,531.5113 shares	a		538,278
ING GNMA Income Fund A	Mutual funds, 87,270.8253 shares	a		757,511
Janus Enterprise	Mutual funds, 17,460.9998 shares	a		820,143
Janus Twenty	Mutual funds, 76,877.3025 shares	a		4,734,873
JP Morgan Dynamic Sm Cap G	Mutual funds, 12,936.6282 shares	a		190,298
JP Morgan Emerg. Mkts	Mutual funds, 96,996.6040 shares	a		2,015,590
Legg Mason S&P 500 Index	Mutual funds, 32,101.2555 shares	a		361,781
Loomis Bond Fund Ins.	Mutual funds, 68,658.8949 shares	a		915,910
Loomis Sm. Cap Value In.	Mutual funds, 68,338.1762 shares	a		1,462,437
Royce Micro Cap.	Mutual funds, 114,041.0577 shares	a		1,564,643
T Rowe Price Int'l Bond	Mutual funds, 44,201.2118 shares	a		435,382
T. Rowe Price High Yield	Mutual funds, 40,387.9414 shares	a		258,887
T. Rowe Price 2025	Mutual funds, 3,659.5406 shares	a		38,718

a - Historical cost is not a required disclosure for participant-directed investments.

* - A party-in-interest as defined by ERISA.

Sandler O'Neill & Partners, L.P.

Profit Sharing/401(k) Plan

Schedule of Assets (Held at End of Year)

EIN: 13-3481277 Plan No. 001

December 31, 2009

(a)	(b)	(c)	(d)	(e)
Identity of issue, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value	
Mutual funds (continued):				
T. Rowe Price 2030	Mutual funds, 524.2087 shares	a	\$	7,884
T. Rowe Price 2040	Mutual funds, 223.8417 shares	a		3,374
T. Rowe Price 2045	Mutual funds, 125.9363 shares	a		1,270
T. Rowe Price 2055	Mutual funds, 740.3787 shares	a		6,197
T. Rowe Price Equity Income	Mutual funds, 120,566.4015 shares	a		2,525,866
T. Rowe Price Ret. Inc.	Mutual funds, 782.4285 shares	a		9,561
Total mutual funds				20,288,667
Common stocks:				
AT&T Inc.	Common stock, 4,900 shares	\$ 177,509		137,347
Abbott Laboratories	Common stock, 1,875 shares	98,158		101,231
Altria Group Inc.	Common stock, 5,000 shares	100,657		98,150
Applied Materials Inc.	Common stock, 7,200 shares	92,572		100,368
Berkshire Hathaway Inc. Cl. B	Common stock, 60 shares	242,515		197,160
Bristol Myers Squibb Co.	Common stock, 5,450 shares	115,218		137,612
Chevron Corp.	Common stock, 1,350 shares	86,536		103,936
Energy Transfer Equity LP	Common stock, 3,300 shares	89,874		100,914
Enersis SA Spon. ADR	Common stock, 5,200 shares	93,435		118,872
Exelon Corp.	Common stock, 1,850 shares	90,722		90,409
Gilead Sciences Inc.	Common stock, 3,325 shares	158,906		143,906
Honeywell, Inc.	Common stock, 2,700 shares	85,215		105,840
Johnson & Johnson Company	Common stock, 1,900 shares	115,940		122,379
Kraft Foods Inc.	Common stock, 4,500 shares	122,615		122,310
Oneok Partners, LP	Common stock, 2,575 shares	148,170		160,422
Pepsico Inc.	Common stock, 1,650 shares	87,723		100,320
Proctor & Gamble Co.	Common stock, 1,775 shares	93,956		107,618
Progress Energy Inc.	Common stock, 2,425 shares	101,824		99,449
Quest Diagnostics, Inc.	Common stock, 1,750 shares	88,383		105,665
Raytheon Co.	Common stock, 2,000 shares	107,107		103,040

a - Historical cost is not a required disclosure for participant-directed investments.

* - A party-in-interest as defined by ERISA.

Sandler O'Neill & Partners, L.P.

Profit Sharing/401(k) Plan

Schedule of Assets (Held at End of Year)

EIN: 13-3481277 Plan No. 001

December 31, 2009

(a)	(b)	(c)	(d)	(e)
Identity of issue, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value	
Common stocks (continued):				
Sociedad Quimica Y Minera De Chile	Common stock, 2,475 shares	\$ 97,270	\$ 92,986	
United Parcel Svc. Inc.	Common stock, 1,650 shares	92,915	94,660	
Wal Mart Stores Inc.	Common stock, 3,400 shares	167,264	181,730	
Total common stocks		2,650,484	2,726,327	
Exchange-traded funds:				
JPMorgan Chase & Co. Alerian MLP Index	Equity traded funds, 3,750 shares	92,977	107,175	
U.S. Government and Agency Securities:				
U.S. Treasury Note	1.750%, maturing 3/31/2010	800,417	803,096	
U.S. T-Notes NTS Inflated Index	2.000%, maturing 4/15/2012	105,579	111,323	
Federal Home Loan Bank	5.625%, maturing 6/15/2012	100,052	102,281	
Federal Home Loan Bank	3.750%, maturing 6/17/2014	75,052	75,821	
Federal Home Loan Bank	4.300%, maturing 2/5/2015	74,513	75,258	
Federal Home Loan Bank	4.000%, maturing 3/4/2016	85,052	84,867	
Federal Home Loan Bank	4.625%, maturing 3/11/2019	100,052	99,875	
GNMA GTD MTG				
Pass Thru Ct FS	6.000%, maturing 10/15/2028	2,840	2,757	
Total U.S. Government and Agency Bonds		1,343,567	1,355,278	
Investment in group trust:				
Barlow Partners Group Trust		1,150,000	1,148,858	
Common/collective trust:				
MCM Stable Asset Fund		34,002	34,132	
* Loans to participants	Nine loans with interest rate of 9.75%	-	267,898	
Total assets held for investment purposes				\$29,658,930

a - Historical cost is not a required disclosure for participant-directed investments.

* - A party-in-interest as defined by ERISA.

SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

Sandler, O'Neill & Partners

EIN # 13-3481277

Plan # 001

AS OF DECEMBER 31, 2009

a	(b) Identity of Issue	(c) Description of Issue	(d) Cost	(e) Current Value
	Participant Loans	Loans to Participants: Other		267,898
	MCM Stable Fund	Value of Interest in Common Collective Trusts		34,132
	Wstrn Asst Govt MM	Value of Interest in Registered Investment Company		3,585,187
	AIM Small Cap Growth	Value of Interest in Registered Investment Company		578,036
	American Fundamntl I	Value of Interest in Registered Investment Company		943,247
	Columbia Intermed Bo	Value of Interest in Registered Investment Company		504,293
	Crn Mid Cap Value	Value of Interest in Registered Investment Company		538,278
	Europacific Growth F	Value of Interest in Registered Investment Company		1,614,490
	ING GNMA Income A	Value of Interest in Registered Investment Company		757,511
	JP Morgan Dyn SmCp G	Value of Interest in Registered Investment Company		190,298
	JP Morgan Emerg Mkts	Value of Interest in Registered Investment Company		2,015,589
	Janus Enterprise	Value of Interest in Registered Investment Company		820,143
	Janus Twenty	Value of Interest in Registered Investment Company		4,734,873
	Legg Mason S&P 500 I	Value of Interest in Registered Investment Company		361,781
	Loomis Bond Fund Ins	Value of Interest in Registered Investment Company		915,910
	Loomis Sm Cap Val In	Value of Interest in Registered Investment Company		1,462,437
	Royce Micro Cap	Value of Interest in Registered Investment Company		1,564,643
	T Rowe Pr High Yield	Value of Interest in Registered Investment Company		258,887
	T.Rowe Price Eqty In	Value of Interest in Registered Investment Company		2,525,866
	T.Rowe Price Intl Bn	Value of Interest in Registered Investment Company		435,382
	T.Rowe Price Inc Adv	Value of Interest in Registered Investment Company		9,561
	T.Rowe Price 2025 Adv	Value of Interest in Registered Investment Company		38,718
	T.Rowe Price 2030 Adv	Value of Interest in Registered Investment Company		7,884
	T.Rowe Price 2040 Adv	Value of Interest in Registered Investment Company		3,373
	T.Rowe Price 2045 Adv	Value of Interest in Registered Investment Company		1,269
	T.Rowe Price 2055 Adv	Value of Interest in Registered Investment Company		6,197
	US Trust Acct.(see audited financial stmts for detail)			71,781
	Family Management Sec. Acct.(see audited financial stmts for detail)			4,289,407
	Barlow Partners (see audited financial stmts for detail)			1,148,858

* Represents a party in interest

a - Column (d) is not required as the Plan's investments are totally participant directed and participant loans receivable has no cost basis.