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
R & K DISTRIBUTORS, INC. 401K DEFERRED COMPENSATION PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/2002

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
R & K DISTRIBUTORS, INC.

1302 EAST WHALEY ST.
LONGVIEW, TX 75601-6824

2b Employer Identification Number (EIN)
75-1105166

2c Sponsor's telephone number
903-758-4494

2d Business code (see instructions)
424800

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.	10/13/2010	MIKE MARTIN
	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")
R & K DISTRIBUTORS, INC.

1302 EAST WHALEY ST.
LONGVIEW, TX 75601-6824

3b Administrator's EIN
75-1105166

3c Administrator's telephone number
903-758-4494

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**	140
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**	96
b	Retired or separated participants receiving benefits	**6b**	3
c	Other retired or separated participants entitled to future benefits	**6c**	29
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	128
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	128
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	90
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 2K 3D

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	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)		**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)		0	**A** (Insurance Information)
(4)			**C** (Service Provider Information)
(5)			**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

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
R & K DISTRIBUTORS, INC. 401K DEFERRED COMPENSATION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
R & K DISTRIBUTORS, INC.

D Employer Identification Number (EIN)
75-1105166

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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	4764	3299
(2) Participant contributions	1b(2)	4018	1750
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	190604	283532
(2) U.S. Government securities	1c(2)	14731	16269
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	112307	90907
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	953302	1287567
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	1279726	1683324
Liabilities			
g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
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	1279726	1683324

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)	44302	
(B) Participants	2a(1)(B)	109516	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		153818
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	380	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	8327	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		8707
(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	18579	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		18579
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(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)	0	
(B) Other	2b(5)(B)	0	
(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)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		269715
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		450819
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	47221	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		47221
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		47221
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		403598
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

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: MILLER, CARPENTER & EARNEST, CPA'S (2) EIN: 72-1363443

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	
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		300000
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)

R & K DISTRIBUTORS, INC.
401(k) DEFERRED COMPENSATION PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2009
AND
DECEMBER 31, 2008

MILLER, CARPENTER & EARNEST
CERTIFIED PUBLIC ACCOUNTANTS
(A Professional Corporation)

BENJAMIN A. MILLER, CPA
DANIEL W. CARPENTER, CPA
ROBERT M. EARNEST, CPA*, CVA

PRINCIPAL
PETER M. BRATLIE, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS
*TEXAS SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
R & K DISTRIBUTORS, INC. 401(k) DEFERRED
COMPENSATION PLAN
Longview, Texas

We have audited the accompanying statement of net assets available for benefits of R & K Distributors, Inc. 401(k) Deferred Compensation Plan (the "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 audit. Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole.

Except as explained in the following paragraph, 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, investment assets held by Mid Atlantic Trust Company, the custodians of the Plan, and transactions in those assets were excluded from the scope of our audit of the Plan's 2009 and 2008 financial statements, except for comparing the information provided by the custodians, which is summarized in Note 7, with the related information included in the financial statements.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the Plan's financial statements as of December 31, 2009 and 2008. The form and content of the information included in the 2009 and 2008 financial statements, other than that derived from the information certified by the custodians, have been audited by us 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.

Our audit of the Plan's financial statements as of and for the years ended December 31, 2009 and 2008, was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedules of assets held as of year end are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are 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. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements for the years ended December 31, 2009 and 2008, and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Miller, Carpenter & Earnest
Shreveport, Louisiana
October 12, 2010

R & K DISTRIBUTORS, INC.
401(k) DEFERRED COMPENSATION PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
ASSETS		
Investments at fair value:		
Cash and cash equivalents	$ 271	$ 11,079
Investment in pooled separate accounts	1,587,368	1,158,637
Participant loans	90,907	112,307
Total assets held for investment	1,678,546	1,282,023
Receivables:		
Employer contributions	3,299	4,764
Employee contributions	1,750	4,018
Total receivables	5,049	8,782
TOTAL ASSETS	$ 1,683,595	$ 1,290,805
LIABILITIES		
Accrued liabilities	271	-
NET ASSETS AVAILABLE FOR BENEFITS	$ 1,683,324	$ 1,290,805

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

R & K DISTRIBUTORS, INC.
401(k) DEFERRED COMPENSATION PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2009

ADDITIONS		2009
Additions to net assets attributed to:		
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	$	269,715
Interest and dividends		18,959
Interest on participants loans		8,327
		297,001
Less investment expenses		-
Net investment income (loss)		297,001
Contributions:		
Employer contributions		44,302
Employee contributions		109,516
Total contributions		153,818
TOTAL ADDITIONS		450,819
DEDUCTIONS		
Deductions from net assets attributed to:		
Benefits paid to participants		58,029
Administrative expenses		271
TOTAL DEDUCTIONS		58,300
NET INCREASE (DECREASE)		392,519
Net assets available for plan benefits, beginning of year		1,290,805
Net assets available for plan benefits, end of year	$	1,683,324

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

R & K DISTRIBUTORS, INC.
401(k) DEFERRED COMPENSATION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 1 – DESCRIPTION OF THE PLAN

The following description of the R & K DISTRIBUTORS, INC. (the "Company") 401(K) DEFERRED COMPENSATION PLAN (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Company established the Plan on March 1, 1992. The Plan is a salary deferral defined contribution plan under Section 401(a) of the Internal Revenue Code which provides retirement, disability or death benefits for full-time employees of the Company. The Plan is open to all employees of the Company that meet defined age and years of service requirements. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Each year, participants may contribute to the Plan a percentage of pretax annual compensation as defined in the Plan. Maximum annual deferrals may not exceed the thresholds determined by the Federal Government each year. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. The Plan also allows for discretionary profit sharing contributions. Certain administrative costs are funded by the Company. Participants direct the investment of their contributions into various investment options offered by the Plan.

Participant Accounts

Under the Plan, each participant's account is credited with the employee's salary reduction and an allocation of both the Company's contribution and Plan earnings. Company contributions and investment earnings are allocated based upon the ratio that each participant's account balance bears to the total account balances of all participants.

Vesting

Under the Plan, participants are immediately vested in their individual contributions. With respect to employer matching contributions, participants are vested according to the following graduated schedule:

Years of Service	Vested Percentage
< 1 Year	0
1-2 Years	0
2-3 Years	20
3-4 Years	40
4-5 Years	60
5-6 Years	80
6+ Years	100

NOTE 1 – DESCRIPTION OF THE PLAN (CONTINUED)

Participant Loans

Participants may borrow, from their fund accounts, a minimum of $1,000 up to the lesser of $50,000 or fifty percent (50%) of their account balance. Participants may have no more than one (1) outstanding loan at a time. Loans must be secured. No more than fifty percent (50%) of the balance in the participant's account may be considered by the Plan as security. Loans bear interest at a rate established by the Plan Administrator based on the acceptable IRS rate at the time of the loan and must be reflective of current market rates in the area. In no circumstances may the rate be less than Prime plus 1%. Principal and interest is paid ratably on a monthly basis by the participant through payroll deductions.

Payment of Benefits

On termination of service due to death, disability or retirement, participants under the normal retirement age of 65 (or early retirement if the participant is 55 and completed 10 years of service), the participant receives either a lump sum or installment amount equal to the vested value of his or her account. Participants may, while still employed by the Company, make a withdrawal of all or any part of their account balance, subject to various restrictions as defined in the Plan agreement.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

Estimates

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

As described in Financial Accounting Standards Board 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*, 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 invests in investment contracts through a collective trust. As required by the FSP, the statement of net assets available for benefits presents the fair value of the investment in the collective trust as well as the adjustment of the investment in the collective trust from fair value to contract value relating to the investment contracts. The statement of changes in net assets available for benefits is prepared on a contract value basis.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

Investments

The Plan's assets are stated at fair value based upon quoted market prices of the underlying investments as of the last business day of the Plan year. Shares of mutual funds are valued at the net asset value of shares held by the Plan at year end. Participant loans are valued at their outstanding balances, which approximate fair value.

Net appreciation in the fair value of Plan assets reflected in the Plan's statement of changes in net assets available for benefits includes realized capital gains and losses, interest and unrealized appreciation or depreciation. Interest income is recorded on the accrual basis. Purchases and sales of investments are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

The following table represents the fair value of investments based upon quoted market values, which exceed 5% of the Plan's net assets:

	2009	2008
American Funds Cash Management Trust of America	$ -	$ 87,114
American Funds U.S. Treasury Money Fund of America	$ -	$ 103,351
American Funds American Balanced Fund	$ 140,712	$ 109,565
American Funds Capital Income Builder	$ 119,860	$ 92,743
American Funds World Growth and Income	$ 181,184	$ 138,918
American Funds Europacific Growth	$ 139,880	$ 107,620
American Funds Fundamental Investors	$ 106,799	$ 86,388
American Funds Growth Fund of America	$ 208,517	$ 154,720
American Funds Money Market Fund	$ 283,531	$ -

Fair Value Measurements

On January 1, 2008, the Company adopted SFAS No. 157, "Fair Value Measurements". SFAS No. 157 applies to all financial instruments that are measured and reported on a fair value basis.

As defined in SFAS No. 157, fair value is the price that would be received to sell and asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. In determining fair value, the Company utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique.

NOTE 2 – SUMMARY OF ACCOUNTING PRINCIPLES (CONTINUED)

These inputs can be readily observable, market corroborated or generally unobservable inputs and minimize the use of unobservable inputs.

Based on the examination of the inputs used in the valuation techniques, the Company is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Quoted market prices in active markets for identical assets or liabilities

Level 2 – Observable market based inputs or unobservable inputs that are corroborated by market data

Level 3 – Includes significant inputs to the valuation methodology that are unobservable and may include assumptions about market participant assumptions

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for instruments measured at fair value, including general classification of such instruments pursuant to the valuation hierarchy.

Registered Investment Companies
Interests in registered investment companies (mutual funds) are valued at the net asset value (NAV) of the shares held by the plan at year end and are classified in Level 1 of the fair value hierarchy.

These funds are considered open-end mutual funds, meaning that the fund is ready to redeem its shares at any time and offers its shares for sale to the public, either through retail outlets or through institutional investors continuously. For institutional funds, NAV's are received daily from fund managers, and the managers stand ready to transact at these quoted amounts. The insurance company custodian transacts in these funds on a daily basis as part of the separate account trading activity.

The calculation of NAV for funds composed of other funds (e.g. retirement target date funds) is essentially the same as the calculation of the NAV for any other fund: the total market value of assets across all underlying funds less any liabilities is divided by the

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

outstanding shares. Again, this resulting NAV is published and/or the fund managers are ready to transact at the quoted prices.

Money Market Funds and Cash
Money market funds are classified in Level 1 of the fair value hierarchy as fair value is based on quoted prices in active markets for identical services.

Participant Loans
Participant loans are valued at their outstanding balance, which approximates fair value.

There is no market (quoted prices or observable inputs) for participant loans, and as such the valuation includes significant inputs based on assumptions about market participant assumptions.

The following tables presents the financial instruments carried at fair market value as of December 31, 2009 and 2008, by the SFAS 157 valuation hierarchy, as described above.

2009

	Level 1	Level 2	Level 3	Total
Registered investment cos.	$ 1,587,368	$ -	$ -	$ 1,587,368
Money market funds and cash	271	-	-	271
Unallocated insurance contracts	-	-	-	-
Participant loans	-	-	90,907	90,907
Total assets at fair value	$ 1,587,639	$ -	$ 90,907	$ 1,678,546

2008

	Level 1	Level 2	Level 3	Total
Registered investment cos.	$ 1,158,637	$ -	$ -	$ 1,158,637
Money market funds and cash	11,079	-	-	11,079
Unallocated insurance contracts	-	-	-	-
Participant loans	-	-	112,307	112,307
Total assets at fair value	$ 1,169,716	$ -	$ 112,307	$ 1,282,023

The following table represents the change in Level 3 assets for the years ended December 31, 2009 and 2008, respectively:

	2009	2008
Level 3 assets fair value, beginning of year	$ 112,307	$ 111,105
Distributions and loans to participants	14,955	18,843
Receipts on loans to participants	(36,355)	(17,641)
Level 3 assets fair value, end of year	$ 90,907	$ 112,307

Administration Expenses

Although not required, the Company, as Plan Sponsor, may pay the related costs of administering the Plan. Expenses paid by the Company on behalf of the Plan are not reflected in the financial statements of the Plan.

Risks and Uncertainties

The Plan provides for investments in a combination of mutual funds and cash equivalents. Investment securities of this type are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants account balances and the amounts reported in the statement of net assets available for benefits.

NOTE 3 – PARTY IN INTEREST TRANSACTIONS

Parties in interest are defined in Department of Labor regulations as any fiduciary of the Plan, and party rendering services to the Plan, the employer, and certain others. The Plan utilizes Wertnz & Associates to provide certain administrative services.

NOTE 4 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right to terminate the Plan at any time. In the event of termination, participants are entitled to the full amount in their account as of the date of termination, regardless of the percent vested at the time of termination.

NOTE 5 – TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter, dated September 18, 2001, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the original determination letter.

NOTE 6 – RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2009 and 2008 to Schedule H of Form 5500:

	2009	2008
Net assets available for benefits per Form 5500	$ 1,683,324	$ 1,279,726
Amounts allocated to withdrawing participants	-	11,079
Amounts due to plan sponsor	-	-
Net assets available for benefits per The financial statements	$ 1,683,324	$ 1,290,805

The following is a reconciliation of benefits paid to participants per the financial statements for the year ended December 31, 2009 to Schedule H of Form 5500:

Benefits paid to participants per the financial statements	$ 58,029
Add:	
Amounts allocated to withdrawing participants at December 31, 2009	-
Less:	
Amounts allocated to withdrawing participants at December 31, 2008	(10,808)
Benefits paid to participants per Schedule H of Form 5500	$ 47,221

Amounts allocated to withdrawing participants are recorded on the Schedule H of Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, 2009 and 2008, but have not yet paid as of that date.

The following is a reconciliation of employee contributions per the financial statements for the year ended December 31, 2009 to Schedule H of Form 5500:

Employee contributions per the financial statements	$	109,516
Add:		
Amounts due back to plan sponsor at December 31, 2009		-
Less:		
Amounts due back to plan sponsor at December 31, 2008		-
Benefits paid to participants per Schedule H of Form 5500	$	109,516

NOTE 7 – INFORMATION CERTIFIED BY CUSTODIAN (UNAUDITED)

The following information regarding investment activity has been certified as complete and accurate by Mid Atlantic Trust Company and has not been audited by the Plan's independent accountants at and for the years ended December 31, 2009 and 2008:

	2009	2008
MA Cash	$ 271	$ 11,079
American Funds Money Market Fund	283,531	138
American Funds Amcap Fund	18,325	13,141
American Funds American Balanced Fund	140,712	109,565
American Funds US Government Securities Fund	16,269	14,731
American Funds High Income Trust	19,363	4,761
American Funds American Mutual Fund	53,347	22,144
American Funds Capital Income Builder	119,860	92,743
American Funds Capital World Bond	23,167	18,453
American Funds Capital World Growth and Income	181,184	138,918
American Funds Europacific Growth Fund	139,880	107,620
American Funds Fundamental Investors	106,799	86,388
American Funds Growth Fund of America	208,517	154,720
American Funds Income Fund of America	8,949	6,314
American Funds Investment Company of America	52,049	41,145
American Funds New Economy Fund	30,197	20,050
American Funds New Perspective Fund	50,525	40,749
American Funds New World Fund	35,739	23,160
American Funds Smallcap World Fund	41,434	25,850
American Funds Washington Mutual Investors	22,990	19,314
American Funds Bond Fund of America	27,306	20,968
American Funds Inter Bond Fund of America	7,225	7,300
American Funds Cash Management Trust of Am	-	87,114
American Funds US Treasury Money Fund	-	103,351
Total Assets held by the Custodian	$1,587,639	$1,169,716

NOTE 8 – MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 12, 2010, the date which the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULE

R & K DISTRIBUTORS, INC.
401(k) DEFERRED COMPENSATION PLAN
SUPPLEMENTAL SCHEDULE
SCHEDULE H, LINE 4I – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2009

Identity of issue, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value		Fair Value
Mid Atlantic	Cash	$	271
American Funds	Money Market Fund		283,531
American Funds	Amcap Fund		18,325
American Funds	American Balanced Fund		140,712
American Funds	US Government Securities Fund		16,269
American Funds	High Income Trust		19,363
American Funds	American Mutual Fund		53,347
American Funds	Capital Income Builder		119,860
American Funds	Capital World Bond		23,167
American Funds	Capital World Growth and Income		181,184
American Funds	Europacific Growth Fund		139,880
American Funds	Fundamental Investors		106,799
American Funds	Growth Fund of America		208,517
American Funds	Income Fund of America		8,949
American Funds	Investment Company of America		52,049
American Funds	New Economy Fund		30,197
American Funds	New Perspective Fund		50,525
American Funds	New World Fund		35,739
American Funds	Smallcap World Fund		41,434
American Funds	Washington Mutual Investors		22,990
American Funds	Bond Fund of America		27,306
American Funds	Inter Bond Fund of America		7,225
Participant Loans	Participant Loans, bearing rates of interest ranging from 5-9.25%		90,907
Total Investments		$	1,678,546

Information on the cost basis of investments has been excluded, as all investments are participant directed.

See accompanying independent auditors' report.

R & K DISTRIBUTORS, INC.
401(k) DEFERRED COMPENSATION PLAN
SUPPLEMENTAL SCHEDULE
SCHEDULE H, LINE 4I – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2008

Identity of issue, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value		Fair Value
Mid Atlantic	Cash	$	11,079
American Funds	Cash Management Trust of America		87,114
American Funds	US Treasury Money Fund of Am		103,351
American Funds	Amcap Fund		13,141
American Funds	American Balanced Fund		109,565
American Funds	US Government Securities Fund		14,731
American Funds	High Income Trust		4,761
American Funds	American Mutual Fund		22,144
American Funds	Capital Income Builder		92,743
American Funds	Capital World Bond		18,453
American Funds	Capital World Growth and Income		138,918
American Funds	Europacific Growth Fund		107,620
American Funds	Fundamental Investors		86,388
American Funds	Growth Fund of America		154,720
American Funds	Income Fund of America		6,314
American Funds	Investment Company of America		41,145
American Funds	New Economy Fund		20,050
American Funds	New Perspective Fund		40,749
American Funds	New World Fund		23,160
American Funds	Smallcap World Fund		25,850
American Funds	Washington Mutual Investors		19,314
American Funds	Bond Fund of America		20,968
American Funds	Inter Bond Fund of America		7,300
American Funds	Money Market		138
Participant Loans	Participant Loans, bearing rates of interest ranging from 5-9.25%		112,307
Total Investments		$	1,282,023

Information on the cost basis of investments has been excluded, as all investments are participant directed.

Schedule H, Line 4i
Schedule of Assets (Held At End of Year)

Name of Plan:

► R & K Distributors, Inc. 401(k) Deferred Compensation Plan

Employer Identification Number:► 75-1105166

For plan year (beginning/ending):► 01/01/2009-12/31/2009 Plan number:► 2

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	American Funds	Money Market		283531.29
	American Funds	Amcap Fund		18325.02
	American Funds	Bond Fund of America		27306.47
	American Funds	Intermediate Bond Fund		7226.11
	American Funds	Capital World Bond		23166.91
	American Funds	EuroPacific Growth Fund		139879.9
	American Funds	Fundamental Investors		106799.18
	American Funds	Growth Fund		208516.87
	American Funds	US Government Securities		16268.53
	American Funds	Investment Company of America		52048.61
	American Funds	Income Fund of America		8949.85
	American Funds	Capital Income Builder		119860.03
	American Funds	American High Income Trust		19363.22
	American Funds	American Balanced		140711.94
	American Funds	American Mutual		53347.49
	American Funds	New Economy		30197.16
	American Funds	New Perspective		50524.58
	American Funds	New World		35739.16
	American Funds	Smallcap World		41433.76
	American Funds	Capital World Growth and Income		181184.43
	American Funds	Washington Mutual		22989.54

