

<div>Form 5500</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Annual Return/Report of Employee Benefit Plan</div> <div>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500.</div>	<div>OMB Nos. 1210-0110 1210-0089</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A	This return/report is for: <div><div>☐ a multiemployer plan;</div><div>☒ a single-employer plan;</div><div>☐ a multiple-employer plan; or</div><div>☐ a DFE (specify) ____</div></div>
B	This return/report is: <div><div>☐ the first return/report;</div><div>☒ an amended return/report;</div><div>☐ the final return/report;</div><div>☐ a short plan year return/report (less than 12 months).</div></div>
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: <div><div>☒ Form 5558;</div><div>☐ automatic extension;</div><div>☐ the DFVC program;</div><div>☐ special extension (enter description)</div></div>

Part II	Basic Plan Information—enter all requested information
1a	Name of plan DRC DEFINED BENEFIT PENSION PLAN
1b	Three-digit plan number (PN) ▶ 002
1c	Effective date of plan 01/01/1980
2a	Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) DYNAMICS RESEARCH CORPORATION 2 TECH DRIVE ANDOVER, MA 01810
2b	Employer Identification Number (EIN) 04-2211809
2c	Sponsor's telephone number 978-475-9090
2d	Business code (see instructions) 541990

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	GERALD CARWILE
	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")

DYNAMICS RESEARCH CORPORATION

2 TECH DRIVE
ANDOVER, MA 01810**3b** Administrator's EIN

04-2211809

3c Administrator's telephone number

978-475-9090

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**

1754

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**

284

b Retired or separated participants receiving benefits.....**6b**

507

c Other retired or separated participants entitled to future benefits.....**6c**

850

d Subtotal. Add lines **6a**, **6b**, and **6c**.....**6d**

1641

e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....**6e**

97

f Total. Add lines **6d** and **6e**.....**6f**

1738

g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....**6g****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:

1G 1I

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:**9a** Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

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

b General Schedules

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

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>DRC DEFINED BENEFIT PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>DYNAMICS RESEARCH CORPORATION</u>	D Employer Identification Number (EIN) <u>04-2211809</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2009</u>	
2 Assets:	
a Market value	2a <u>47174182</u>
b Actuarial value	2b <u>51891600</u>
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>563</u> <u>29315640</u>
b For terminated vested participants	3b <u>854</u> <u>20791412</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>92417</u>
(2) Vested benefits	3c(2) <u>7252837</u>
(3) Total active	3c(3) <u>337</u> <u>7345254</u>
d Total	3d <u>1754</u> <u>57452306</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>8.20</u> %
6 Target normal cost	6 <u>68234</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>09/30/2010</u>
Signature of actuary	Date
<u>MICHAEL A. HLUSKA</u>	<u>08-05366</u>
Type or print name of actuary	Most recent enrollment number
<u>TOWERS WATSON DELAWARE INC.</u>	<u>781-283-9265</u>
Firm name	Telephone number (including area code)
<u>80 WILLIAM STREET</u> <u>WELLESLEY HILLS, MA 02481-3720</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	5865231	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8).....	5865231	0
10	Interest on item 9 using prior year's actual return of <u>-25.93</u> %	-1520737	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		49738
b	Interest on (a) using prior year's effective rate of <u>6.11</u> %		3041
c	Total available at beginning of current plan year to add to prefunding balance		52779
d	Portion of (c) to be added to prefunding balance.....		0
12	Reduction in balances due to elections or deemed elections.....	4344494	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	0	0

Part III Funding percentages			
14	Funding target attainment percentage.....	14	90.32 %
15	Adjusted funding target attainment percentage.....	15	90.32 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	95.30 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/01/2010	508000				
09/15/2010	2837000				
Totals ►			18(b)	3345000	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contribution from prior years.....	19a
b	Contributions made to avoid restrictions adjusted to valuation date	19b
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 2931402
20 Quarterly contributions and liquidity shortfalls:		
a	Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b	If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of Quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
0	0	0
		(4) 4th 0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 3
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	68234
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	2113568	375050
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	443284
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35).....	36	443284
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	2931402
38 Interest-adjusted excess contributions for current year (see instructions).....	38	2488118
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

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

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

<div>A Name of plan</div> <div>DRC DEFINED BENEFIT PENSION PLAN</div>	<div>B Three-digit plan number (PN)</div> <div>▶</div> <div>002</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500</div> <div>DYNAMICS RESEARCH CORPORATION</div>	<div>D Employer Identification Number (EIN)</div> <div>04-2211809</div>

Part I

Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

MORGAN STANLEY SMITH BARNEY

13-2919773

(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?
28	INVESTMENT MANAGEMENT	243206	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

FIRST STATE TRUST COMPANY

13-3124172

(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?
21	TRUSTEE	61601	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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 DRC DEFINED BENEFIT PENSION PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 DYNAMICS RESEARCH CORPORATION	D Employer Identification Number (EIN) 04-2211809	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	-120595	-140574
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		3345000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	276325	259803
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	2920483	2151543
(2) U.S. Government securities.....	1c(2)	5979211	6400271
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)	9360361	9117198
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	215684	241632
(B) Common	1c(4)(B)	28490507	35697015
(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)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	47121976	57071888

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	47121976	57071888
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Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	3400000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		3400000

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	2708	
(B) U.S. Government securities	2b(1)(B)	246806	
(C) Corporate debt instruments	2b(1)(C)	580434	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)	2252	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		832200
(2) Dividends: (A) Preferred stock	2b(2)(A)	19642	
(B) Common stock	2b(2)(B)	234722	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		254364
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	37614892	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	37375189	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		239703

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	2408302	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		2408302
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(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)		6542075
c Other income.....	2c		34107
d Total income. Add all income amounts in column (b) and enter total.....	2d		13710751

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3450033	
(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)		3450033
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)	-717	
(2) Contract administrator fees	2i(2)	24118	
(3) Investment advisory and management fees	2i(3)	243206	
(4) Other	2i(4)	44199	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		310806
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		3760839

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		9949912
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: MFA, LLP

(2) EIN: 04-3077056

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		500000
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>DRC DEFINED BENEFIT PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>DYNAMICS RESEARCH CORPORATION</u>	D Employer Identification Number (EIN) <u>04-2211809</u>

Part I	Distributions
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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): _____ 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	<u>8</u>

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

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

- 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: 54% Investment-Grade Debt: 25% High-Yield Debt: 5% Real Estate: 0% Other: 16%

- 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):



MOODY, FAMIGLIETTI & ANDRONICO
Certified Public Accountants & Consultants

To the Pension Committee of the
Dynamics Research Corporation
Defined Benefit Pension Plan
Andover, Massachusetts

INDEPENDENT AUDITOR'S REPORT

We were engaged to audit the accompanying statements of net assets available for plan benefits of the Dynamics Research Corporation Defined Benefit Pension Plan (the "Plan") as of December 31, 2009 and 2008, and the related statement of changes in net assets available for plan benefits for the year ended December 31, 2009, and the supplemental schedule of assets held for investment purposes as of December 31, 2009 and the supplemental schedule of reportable transactions for the year ended December 31, 2009. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. 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. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 8, which was certified by First State Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the trustee as of and for the years ended December 31, 2009 and 2008, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Moody, Famiglietti & Andronico, LLP

Moody, Famiglietti & Andronico, LLP
October 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2009

The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

x	q_x^r	l_x	${}_{x-55}p_{55} = l_x / l_{55}$	$q_x^r * l_x / l_{55}$	$x * q_x^r * l_x / l_{55}$
55	0.05	1,000,000	1.000000	0.050000	2.750000
56	0.05	950,000	0.950000	0.047500	2.660000
57	0.05	902,500	0.902500	0.045125	2.572125
58	0.05	857,375	0.857375	0.042869	2.486388
59	0.05	814,506	0.814506	0.040725	2.402793
60	0.10	773,781	0.773781	0.077378	4.642686
61	0.10	696,403	0.696403	0.069640	4.248057
62	0.15	626,763	0.626763	0.094014	5.828892
63	0.15	532,748	0.532748	0.079912	5.034470
64	0.15	452,836	0.452836	0.067925	4.347225
65	1.00	384,911	0.384911	0.384911	25.019186

Average age at retirement

61.991822

Rounded for Schedule SB line 22

==>
62 SCHB_WARA

Plan Name: Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN: 04-2211809/002
Plan Sponsor: Dynamics Research Corporation
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 25

Change in Method

The discount rate was changed from the January 3-segment rates to the full yield curve as of the October before the valuation date. This change is being made as elected by the plan sponsor and is deemed to be automatically approved by the IRS pursuant to final regulation §1.430(h)(2)-1(h)(3).

The amount included this year for plan-related expenses is \$68,234. WRERA includes a technical corrections provision requiring target normal cost to include the amount of plan-related expenses expected to be paid from plan assets during the year.

Based upon an election by the plan sponsor, the asset valuation method changed from the market value of assets to the method described in IRS Notice 2009-22 which reflects changes made by the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA). Changes in the asset method for plan years beginning in 2009 to any permissible asset method are deemed to be automatically approved by the IRS.

The valuation software used to produce the actuarial information submitted on this schedule has been refined to reflect evolving understanding of PPA requirements, and such modifications may be considered to be a method change. The percentage changes in funding target, target normal cost and plan assets due to the refinements in the software are each less than 2% (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations), and the modifications to the software were designed to produce results no less accurate than the results produced by the software prior to the change. Therefore the change in funding method due to a change in valuation software receives automatic approval under IRS Announcement 2010-3.

Plan Name: Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN: 04-2211809/002
Plan Sponsor: Dynamics Research Corporation
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32 Schedule of Amortization Bases as of January 1, 2009

Type of Base	Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1 Shortfall	01/01/2009	2,113,568	7	2,113,568	375,050
Total				2,113,568	375,050

Plan Name: Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN: 04-2211809/002
Plan Sponsor: Dynamics Research Corporation
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 25

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Plan Name: Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN: 04-2211809/002
Plan Sponsor: Dynamics Research Corporation
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Plan Sponsor

Dynamics Research Corporation

Plan

Dynamics Research Corporation Defined Benefit Pension Plan

Effective Date and Most Recent Amendment

The plan was originally effective January 1, 1980. On October 25, 2006, Dynamics Research Corporation's Board of Directors approved an amendment to the plan that removed the 3% annual benefit inflator and fully freezes benefit accruals as of December 31, 2006.

Plan Year

The twelve-month period ending 12/31.

Coverage and Participation

Employees classified as staff and service employees will become participants on the first day of the month following the completion of one year of service and at least 1,000 hours. Participation in the plan was frozen as of June 30, 2002.

Plan Name:	Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN:	04-2211809/002
Plan Sponsor:	Dynamics Research Corporation
Valuation Date:	January 1, 2009

SCHEDULE SB ATTACHMENTS

Normal or Late Retirement Benefit

Normal Retirement Date: A participant who retires from the Company after attaining the later of age 65.

Benefit Formula: The normal monthly retirement benefit of a participant payable in the normal form is the greatest of one-twelfth of (a), (b) and (c):

- (a) .6833 percent of average annual compensation plus .650 percent of average annual compensation in excess of Social Security Covered Compensation multiplied by years of benefit service up to 30 years;
- (b) the benefit accrued as of December 31, 1987 under the former plans, and
- (c) \$60 multiplied by years of benefit service.

Benefits are fixed effective June 30, 2002. The accrued benefit calculated as of June 30, 2002 will be indexed at 3% per year beginning December 31, 2003 and ending December 31, 2006.

Commencement Date: Payments shall commence on the first day of the month following an employee's retirement from the Company or the date he applies for his benefit.

Normal Form of Benefit: The benefit is paid monthly for the life of the retired participant .

Early Retirement Benefit

Eligibility: Participants with 10 or more years of vesting service may retire any time after age 55.

Benefit: Same as normal retirement. If benefits commence prior to age 65, the accrued benefit shall be reduced by 5/9ths of 1.0% for each of the first 60 months and by 5/18ths of 1.0% for each month in excess of 60 that benefit commencement date precedes Normal Retirement Date.

Commencement Date: Payments shall commence on the first day of the month coincident with or next following the later of early retirement and application for benefits.

Form of Benefit: Same as normal retirement.

Plan Name: Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN: 04-2211809/002
Plan Sponsor: Dynamics Research Corporation
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Vested Benefits Upon Termination of Service

Vesting: A Participant who terminates employment after completion of 5 or more years of vesting service is eligible for a vested deferred benefit

Termination Benefit: Same as normal retirement.

Commencement Date: The vested accrued benefit of terminated participant is payable as a monthly pension at age 65 or it may be payable as early as 55 with the reduction for early retirement if the participant has 10 or more years of vesting service.

Form of Benefit: Same as normal retirement.

Death Benefits for Participants in Active Service

Eligibility: An active or terminated vested participant who has completed five or more years of vesting service and was married at death is covered by the pre-retirement death benefit.

Benefit: The amount of benefit payable to the surviving spouse is the actuarial equivalent of the benefit that the participant would have received if the participant had

(a) survived to the earliest retirement date,

(b) retired and elected to be paid in the form of a joint annuity with 100 percent to the surviving spouse, and

(c) died immediately thereafter

Commencement Date: The benefit will be payable as an annuity commencing on the first of the month following the participant's death.

Pension Increases

None.

Plan Participants' Contributions

No participant contributions are allowed or required.

Plan Name: Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN: 04-2211809/002
Plan Sponsor: Dynamics Research Corporation
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Changes in Plan Provisions since Last Actuarial Valuation

There have been no changes in the principal plan provisions since the prior valuation.

Plan Name: Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN: 04-2211809/002
Plan Sponsor: Dynamics Research Corporation
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Statement by Enrolled Actuary

Plan Sponsor	Dynamics Research Corporation
EIN/PN	04-2211809/002
Plan Name	Dynamics Research Corporation Defined Benefit Pension Plan
Valuation Date	January 1, 2009
Enrolled Actuary	Michael A. Hluska
Enrollment Number	08-05366

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

Plan Name:	Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN:	04-2211809/002
Plan Sponsor:	Dynamics Research Corporation
Valuation Date:	January 1, 2009

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Plan Sponsor

Dynamics Research Corporation

Discount Rates

Current plan year PPA effective interest rate: 8.20%

Prior plan year PPA effective interest rate: 6.11%

Full Yield Curve

Applicable month: October

Transition election: No

Assumed Cost of Living Adjustments

None.

Inclusion Date

The valuation date coincident with or next following the date on which the employee becomes a participant.
Participation in this plan is frozen.

Plan-related Expenses

The amount included this year for plan-related expenses is \$68,234.

Mortality

For all participants: The prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants.

Plan Name: Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN: 04-2211809/002
Plan Sponsor: Dynamics Research Corporation
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Retirement

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age and gender are shown below.

Percentage retiring during the year		
Age	Males	Females
55-59	5.00%	5.00%
60-61	10.00%	10.00%
62-64	15.00%	15.00%
65	100.00%	100.00%

Compensation Increases

Not Applicable – Frozen Plan.

Future Increases in Social Security

Not Applicable – Frozen Plan.

Future Increases in Maximum Benefits and Plan Compensation Limitations

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC Section 415. Plan compensation is limited to the maximum presently allowed under IRC Section 401(a)(17). For the purposes of determining Funding Target and Target Normal Cost, no provision is made for future increases in the maximum annual benefit or compensation limit. For the purposes of determining the additional funding target for maximum deductible contribution purposes, maximum annual benefit and compensation limits are assumed to increase by 3.000% per year.

Plan Name: Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN: 04-2211809/002
Plan Sponsor: Dynamics Research Corporation
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Representative Termination Rates (per 100 employees) not Due to Disability, Retirement, or Mortality

Attained Age	Percentage leaving during the year	
	Males	Females
20	30.0%	30.0%
25	30.0	30.0
30	20.0	20.0
35	15.0	15.0
40	12.5	12.5
45	10.0	10.0
50	7.5	7.5
55 & Over	0.0	0.0

Form of Payment

Participants are assumed to elect the normal form.

Marriage

80% of participants are assumed to be married.

Employees

It was assumed that there will be no new or rehired employees.

Plan Compensation

Not Applicable – Frozen Plan.

Plan Name: Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN: 04-2211809/002
Plan Sponsor: Dynamics Research Corporation
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Asset Method

Under this method, the valuation assets are equal to the average of three values (all determined without regard to receivable contributions), the result increased by the discounted present value of contributions expected to be made after the valuation date based on the prior plan year PPA effective interest rate. This amount is then subject to a 10% corridor around the market value of assets (including the discounted present value of receivable contributions) as of the valuation date. The three values used to develop the average value are: the market value of assets as of the current valuation date, the adjusted market value of assets as of the prior valuation date and the adjusted market value of assets as of the second prior valuation date. The adjusted market value as of a relevant valuation date is equal to the market value of assets as of the prior valuation date increased by actual plan contributions and assumed return on plan assets and decreased by actual plan disbursements after that date until the current valuation date. The assumed rate of return on plan assets for the prior plan year (pursuant to IRS Notice 2009-22) was 6.43%, which is the lesser of the anticipated rate of return on assets for the plan year, equal to 8.50%, and the applicable limitation for the plan year, equal to 6.43%. The assumed rate of return on plan assets for the second prior plan year (pursuant to IRS Notice 2009-22) was 6.09%, which is the lesser of the anticipated rate of return on assets for the plan year, equal to 8.50%, and the applicable limitation for the plan year, equal to 6.09%. The algebraically equivalent development of this method (pursuant to IRS Notice 2009-22) is shown in Section 2.4. Because expected investment returns under this method are limited under WRERA, over time it is more likely to produce an actuarial value that is expected to be less than the market value of assets.

Participant Data

Employee data was supplied by the employer as of the census date.

Tax Policy

The actuarial valuation performed for the plan year ending December 31, 2009 is used to determine the maximum deductible contribution for the tax year ending December 31, 2009.

Benefits not Included in Valuation

We believe that we have reflected all significant Plan provisions in this valuation.

Plan Name: Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN: 04-2211809/002
Plan Sponsor: Dynamics Research Corporation
Valuation Date: January 1, 2009

SCHEDULE SB ATTACHMENTS

Nature of Actuarial Calculations

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed insignificant and therefore are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately.

A range of results, different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision, which is not inherent in actuarial calculations. Certain percentages determined in this report, such as the Funding Target Attainment Percentage, are rounded to the nearest .01% (e.g., 81.58%) to be consistent with the rounding specified for Schedule SB of the Form 5500.

The assumptions selected for this valuation other than those prescribed by law, generally reflect long-term average expectations. If overall future plan experience is less favorable than assumed, the relative level of plan costs or contribution requirements determined in this valuation will likely increase in future valuations. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period); and changes in plan provisions or applicable law. It is beyond the scope of this actuarial valuation to analyze the potential range of future pension contributions, but we can do so upon request.

Changes in Assumptions and Methods Since Last Actuarial Valuation

The following changes in assumptions and methods were made as part of the valuation:

- The discount rate was changed from the January 3-segment rates to the full yield curve as of the October before the valuation date. This change is being made as elected by the plan sponsor and is deemed to be automatically approved by the IRS pursuant to guidance in the IRS March 31, 2009 Newsletter.
- Based upon an election by the plan sponsor, the asset valuation method changed from the market value of assets to the method described in IRS Notice 2009-22 which reflects changes made by the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA). Changes in the asset method for plan years beginning in 2009 to any permissible asset method are deemed to be automatically approved by the IRS.
- The amount included this year for plan-related expenses is \$68,234. WRERA includes a technical corrections provision requiring target normal cost to include the amount of plan-related expenses expected to be paid from plan assets during the year.
- Since the prior valuation the interest rate used to determine the present value of accumulated benefits under SFAS35 was changed 9.00% to 8.50%. In addition, the mortality table used for SFAS 35 was changed from the RP-2000 table for males and females to the RP-2000 tables for males and females projected to 2009.

Plan Name: Dynamics Research Corporation Defined Benefit Pension Plan
EIN / PN: 04-2211809/002
Plan Sponsor: Dynamics Research Corporation
Valuation Date: January 1, 2009

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information <p>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</p> <p>► File as an attachment to Form 5500 or 5500-SF.</p>	<small>OMB No. 1210-0110</small> 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Dynamics Research Corporation Defined Benefit Pension Plan	B Three-digit plan number (PN) <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Dynamics Research Corporation	D Employer Identification Number (EIN) 04-2211809
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information			
1	Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2009</u>		
2	Assets:		
	a Market value	2a	47,174,182
	b Actuarial value	2b	51,891,600
3	Funding target/participant count breakdown	(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	3a	563
	b For terminated vested participants	3b	854
	c For active participants:		
	(1) Non-vested benefits	3c(1)	92,417
	(2) Vested benefits	3c(2)	7,252,837
	(3) Total active	3c(3)	337
	d Total	3d	1,754
4	If the plan is at-risk, check the box and complete items (a) and (b) ☐		
	a Funding target disregarding prescribed at-risk assumptions	4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b	
5	Effective interest rate	5	8.20 %
6	Target normal cost	6	68,234

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Michael A. Hluska <i>M.H.</i> Signature of actuary Michael A. Hluska Type or print name of actuary Towers Watson Delaware Inc. Firm name 80 William Street Wellesley Hills MA 02481-3720 Address of the firm	 9/30/2010 Date 80-05366 Most recent enrollment number (781) 283-9265 Telephone number (including area code)
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2009
v.092308.1

Part II	<u>Beginning of year carryover and prefunding balances</u>
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Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	5,865,231	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8).....	5,865,231	0
10	Interest on item 9 using prior year's actual return of <u>(25.93)</u> %	(1,520,737)	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		49,738
b	Interest on (a) using prior year's effective rate of <u>6.11</u> %		3,041
c	Total available at beginning of current plan year to add to prefunding balance		52,779
d	Portion of (c) to be added to prefunding balance.....		0
12	Reduction in balances due to elections or deemed elections.....	4,344,494	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	0	0

Part III	Funding percentages
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14	Funding target attainment percentage.....	14	90.32 %
15	Adjusted funding target attainment percentage.....	15	90.32 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	95.30 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:							
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees		
07/01/2010	508,000						
09/15/2010	2,837,000						
			Totals ▶	18(b)	3,345,000	18(c)	0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	2,931,402

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b** If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No
- c** If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:			
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %
			☒ N/A, full yield curve used
b Applicable month (enter code)			21b 3
22 Weighted average retirement age			22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.		☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.		☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.		☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.	27	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	68,234
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	2,113,568	375,050
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	443,284
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35)	36	443,284
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37	2,931,402
38 Interest-adjusted excess contributions for current year (see instructions)	38	2,488,118
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0



MOODY, FAMIGLIETTI & ANDRONICO
Certified Public Accountants & Consultants

**DYNAMICS RESEARCH CORPORATION
DEFINED BENEFIT PENSION PLAN**

FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

Proactive certified public accounting and consulting

Statements of Net Assets Available for Plan Benefits

Dynamics Research Corporation
Defined Benefit Pension Plan

December 31	2009	2008
Assets		
Investments at Fair Value:		
Equity Mutual Funds	\$ 20,698,791	\$ 20,188,503
Common Equity Securities	9,445,118	6,218,065
Corporate and Foreign Bonds	9,117,198	9,360,361
U.S. Treasury Obligations	4,724,149	3,059,678
Partnership/Joint Venture Interest	3,000,000	-
Fixed Income Mutual Funds	2,553,106	1,800,087
Money Market Accounts	2,151,543	2,920,483
U.S. Government Securities	1,676,122	2,919,533
Preferred Equity Securities	241,632	215,684
Municipal Obligations	-	283,852
Total Investments at Fair Value	53,607,659	46,966,246
Receivables:		
Interest Income	259,803	276,325
Plan Sponsor Contribution	3,345,000	-
Total Receivables	3,604,803	276,325
Total Assets	57,212,462	47,242,571
Liabilities:		
Amounts Due to Broker	140,574	120,595
Net Assets Available for Plan Benefits	<u>\$ 57,071,888</u>	<u>\$ 47,121,976</u>

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

Statement of Changes in Net Assets Available for
Plan Benefits

Dynamics Research Corporation
Defined Benefit Pension Plan

For the Year Ended December 31	2009
Additions to Net Assets:	
Net Appreciation in Fair Value of Investments	\$ 8,313,287
Plan Sponsor Contributions	3,400,000
Interest and Dividend Income	1,997,464
Total Additions	13,710,751
Deductions from Net Assets:	
Benefit Payments	3,450,033
Plan Expenses	310,806
Total Deductions	3,760,839
Net Increase in Net Assets Available for Plan Benefits	9,949,912
Net Assets Available for Plan Benefits, Beginning of Year	47,121,976
Net Assets Available for Plan Benefits, End of Year	\$ 57,071,888

1. Description of the Plan:

The following description of the Dynamics Research Corporation Defined Benefit Pension Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for more complete information regarding the terms of the Plan.

General: The Plan is a noncontributory defined benefit plan maintained for the purpose of providing retirement benefits to eligible employees of Dynamics Research Corporation (the "Plan Sponsor"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Through June 30, 2002, generally, all employees of the Plan Sponsor who had completed 12 consecutive months of service and at least 1,000 hours and who did not make a special election to the contrary were considered Participants in the Plan (the "Participants"). Effective June 30, 2002, the Board of Directors of the Plan Sponsor voted to freeze membership in the Plan and to amend the Plan's accrual of future benefits.

The Plan Sponsor has appointed an investment trustee and custodian, First State Trust Company (the "trustee" or "First State"), to hold the Plan's assets, execute investment transactions, and administer the Participants' accounts.

Contributions: The Plan Sponsor makes contributions to the Plan to meet the minimum funding requirement as determined by the Plan's independent actuary. No voluntary employee contributions are permitted. Amounts contributed are deposited with the trustee of the Plan.

Vesting: As of June 30, 2007, all Participants were fully vested.

Benefits: The Plan provides for retirement benefits in the form of a life annuity to be paid to Participants who have reached the age of 65 and who have retired from active service with the Plan Sponsor. In addition, the Plan provides for benefits upon early retirement and vested termination. The annual normal retirement benefit is the greatest of:

- .6833 percent of average annual compensation plus .65 percent of average annual compensation in excess of Social Security Covered Compensation multiplied by years of benefit service up to 30 years;
- the benefit accrued as of December 31, 1987 under the former plans;
- \$60 multiplied by years of benefit service.

Effective October 1, 2007, the Board of Directors of the Plan Sponsor approved plan participants age 65 or older, to continue working at their current schedule and be eligible to begin receiving their full pension payments. Plan participants who do not choose to commence pension payments will receive an actuarial adjustment when they do decide to start receiving pension benefits, to reflect their delayed retirement beyond age 65.

Plan Investments: The Plan's investments are held by First State in various mutual funds, equity securities, bonds, U.S. Treasury obligations, partnership/joint venture interests, money market accounts, and U.S. Government securities.

2. Significant Accounting Policies:

Accounting Standards Codification: During the year ended December 31, 2009, the Plan adopted the FASB Accounting Standards Codification (ASC). The ASC became the single official source of authoritative accounting principles generally accepted in the United States of America (GAAP) recognized by the Financial Accounting Standards Board (FASB), other than guidance issued by the Securities and Exchange Commission. The adoption of the ASC did not have a material impact on the Plan's financial statements. However, the adoption of the ASC changed the Plan's references to GAAP in its financial statements.

2. Significant Accounting Policies (Continued):

Basis of Accounting: The financial statements of the Plan are prepared under the accrual method of accounting in accordance with GAAP.

Fair Value: The Plan has adopted ASC No. 820-10 [Prior Authoritative Guidance: Statement of Financial Accounting Standards No. 157, *Fair Value Measurements*] (ASC 820-10), which defines fair value, establishes a framework for measuring fair value in accordance with GAAP and expands disclosures about fair value measurements. There was no material impact to the financial statements of the Plan upon adoption of ASC 820-10.

ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. ASC 820-10 establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

The fair value hierarchy is as follows:

Level 1 - Inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan has the ability to access.

Level 2 - Inputs utilize data points that are observable such as quoted prices, interest rates and yield curves.

Level 3 - Inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

Investment Valuation and Income Recognition: Investments in mutual funds, equity securities, bonds, U.S. Treasury obligations, money market accounts, and U.S. Government securities are stated at fair value utilizing quoted market prices in active markets as of December 31, 2009 and 2008, and are classified within Level 1 of the fair value hierarchy. Investments in partnership/joint venture interests are classified within Level 2 of the fair value hierarchy.

The cumulative change in investment values at the beginning and end of each Plan year is reflected in the statement of changes in net assets available for plan benefits as net appreciation (depreciation) in value of investments and consists of realized gains (losses) and unrealized appreciation (depreciation) on those investments.

Payment of Benefits: Benefits are recorded when paid.

Expenses: Certain administrative expenses of the Plan are paid by the Plan Sponsor.

Plan Exposure to Market and Credit Risk: The Plan provides for investment in various mutual funds and other investment securities that, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Further, due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect Participants' account balances and the amounts reported in the accompanying financial statements.

Use of Estimates: Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the financial statements in accordance with GAAP. Actual results experienced by the Plan may differ from those estimates.

Subsequent Events: In May of 2009, the FASB issued ASC No. 855-10 [Prior Authoritative Guidance: SFAS No. 165, *Subsequent Events*] (ASC 855-10), which establishes general standards of accounting for and disclosure of events that occur after the date of the statement of net assets available for plan benefits, but before the financial statements are issued or available to be issued. This statement is effective for annual financial periods ending after June 15, 2009, and has been applied prospectively. In accordance with ASC 855-10, the Plan Administrator has evaluated subsequent events spanning the period from December 31, 2009 through October 1, 2010, the latter representing the issuance date of these financial statements.

3. Party-in-Interest Transactions:

Certain Plan investments are managed by First State, trustee of the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for these investment management services amounted to \$310,806 for the year ended December 31, 2009.

4. Tax Status:

The Internal Revenue Service has determined and informed the Plan Sponsor by a letter dated September 12, 2003, that the Plan and related trust are designed in accordance with the applicable provisions of the Internal Revenue Code. The Plan has been amended since receiving the determination letter; however, the Plan Administrator believes that the Plan and the related trust are currently being operated in compliance with the applicable provisions of the Internal Revenue Code. Therefore, the Plan Sponsor is of the opinion that the Plan and the related trust were tax exempt as of and for the year ended December 31, 2009.

5. Plan Termination:

While it is the intention of the Plan Sponsor to continue the Plan indefinitely, the Plan Sponsor reserves the right to terminate or amend the Plan at any time subject to the provisions of ERISA. In the event of termination, the rights of all Participants to benefits will become nonforfeitable to the extent funded or as guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a U.S. government agency. The priorities for determining the allocation of Plan assets would be governed by ERISA and regulations issued by the PBGC. First State, the trustee, will make distributions to the Participants or their beneficiaries in accordance with the instructions of the Pension Committee, or in the absence of such instructions, as the trustee deems advisable.

6. Frozen Plan:

On December 11, 2001, the Board of Directors of the Plan Sponsor voted to freeze membership to the Plan and to amend the Plan's accrual of benefits as of June 30, 2002. Effective June 30, 2002, all Participants eligible for benefits will receive those earned benefits. Such benefits will be calculated as of June 30, 2002, based on each Participant's highest five consecutive years of earnings through that date. The calculated benefit was increased annually by 3%, for the plan years ended December 31, 2003 through December 31, 2006. Effective January 1, 2007, the 3% annual increase was discontinued.

7. Actuarial Valuation and Assumptions:

Watson Wyatt Worldwide is the Plan's actuarial consultant. The significant assumptions used in the actuarial valuation as of December 31, 2009 are as follows:

Investment Return	8.5% compounded annually
Mortality Table	RP-2000 Combined Healthy Mortality table with separate rates for males and females projected to 2010
Normal Retirement Age	It is assumed Participants will retire based on the following rates: 55-59: 5%; 60-61: 10%, 62-64: 15%; and 65: 100%
Asset Valuation Method	4-Year Average Method with a restart on January 1, 2010
Actuarial Cost Method	Projected Unit Credit Cost Method

The actuarial present value of accumulated plan benefits at December 31, 2009 and 2008 is as follows:

	2009	2008
Actuarial Present Value of Vested Accumulated Plan Benefits:		
Participants Receiving Benefits	\$ 30,815,675	\$ 28,738,522
Other Participants	25,240,944	26,121,838
	<u>56,056,619</u>	<u>54,860,360</u>
Actuarial Present Value of Nonvested Accumulated Plan Benefits	<u>108,425</u>	<u>140,657</u>
	<u>\$ 56,165,044</u>	<u>\$ 55,001,017</u>

The changes in the actuarial present value of accumulated plan benefits for the years ended December 31, 2009 and 2008 consist of the following:

	2009	2008
Actuarial Present Value of Accumulated Plan Benefits, Beginning of Year	\$ 55,001,017	\$ 51,066,804
Increase (Decrease) During the Year Attributable to:		
Interest	4,614,060	4,574,452
Benefits Paid	(3,450,033)	(3,266,423)
Change in Actuarial Assumptions	-	2,626,184
Net Increase	<u>1,164,027</u>	<u>3,934,213</u>
Actuarial Present Value of Accumulated Plan Benefits, End of Year	<u>\$ 56,165,044</u>	<u>\$ 55,001,017</u>

8. Information Certified by the Trustee:

The Plan's investments and investment transactions were certified by First State, the trustee of the Plan, as complete and accurate as of and for the years ended December 31, 2009 and 2008. Therefore, in accordance with the request of the Plan Administrator and as allowed under 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, this information was not subjected to auditing procedures generally accepted in the United States of America by the Plan's independent public accountants, except for comparing such information to related information included in the financial statements and supplemental schedules. The following is a summary of the unaudited information regarding the Plan, which was prepared by or derived from information prepared by the trustee and furnished to the Plan Administrator.

	2009	2008
Statements of Net Assets Available for Plan Benefits:		
Investments at Fair Value	\$ 53,607,659	\$ 46,966,246
Statement of Changes in Net Assets Available for Plan Benefits:		
Net Appreciation in Fair Value of Investments	\$ 8,313,287	
Interest and Dividend Income	1,997,464	

9. Investments:

Investments that represent 5% or more of the Plan's net assets as of December 31, 2009 and 2008, are summarized as follows:

	2009	2008
Equity Mutual Funds:		
Wisdomtree Diefa Fund	\$ 7,615,490	
Vanguard Growth ETF	6,533,384	
Vanguard Value ETF	5,869,812	
Partnership/Joint Venture Interest	3,000,000	
Equity Mutual Funds:		
Vanguard Growth ETF		\$ 6,799,473
Vanguard Value ETF		6,773,701
Wisdomtree Diefa Fund		6,296,355
SEI Daily Income Prime Obligation CLB		2,920,483

The net appreciation (depreciation) in the fair value of the Plan's investments by investment category (including gains and losses on investments bought and sold, as well as held during the year) are as follows:

Common and Collective Funds	\$ 5,665,122
Common Equity Securities	1,809,371
Corporate Debt Instruments	1,096,688
U.S. Government Securities	(298,029)
Preferred Equity Securities	34,055
Other Interest	6,080
	<u>\$ 8,313,287</u>

10. Fair Value:

The following table sets forth, by level within the fair value hierarchy, the Plan's investment assets at fair value, as of December 31, 2009 and 2008. As required by ASC 820-10, assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

		Investment Assets at Fair Value as of December 31, 2009			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	Total				
Mutual Funds:					
Equity Mutual Funds	\$ 20,698,791	\$ 20,698,791	\$ -	\$ -	
Fixed Income Mutual Funds	2,553,106	2,553,106	-	-	
Common Equity Securities	9,445,118	9,445,118	-	-	
Corporate and Foreign Bonds	9,117,198	9,117,198	-	-	
U.S. Treasury Obligations	4,724,149	4,724,149	-	-	
Partnership/Joint Venture Interest	3,000,000	-	3,000,000	-	
Money Market Accounts	2,151,543	2,151,543	-	-	
U.S. Government Securities	1,676,122	1,676,122	-	-	
Preferred Equity Securities	241,632	241,632	-	-	
Total Investments	\$ 53,607,659	\$ 50,607,659	\$ 3,000,000	\$ -	

		Investment Assets at Fair Value as of December 31, 2008			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	Total				
Mutual Funds:					
Equity Mutual Funds	\$ 20,188,502	\$ 20,188,502	\$ -	\$ -	
Fixed Income Mutual Funds	1,800,087	1,800,087	-	-	
Corporate and Foreign Bonds	9,360,361	9,360,361	-	-	
Common Equity Securities	6,218,066	6,218,066	-	-	
U.S. Treasury Obligations	3,059,678	3,059,678	-	-	
Money Market Accounts	2,920,483	2,920,483	-	-	
U.S. Government Securities	2,919,533	2,919,533	-	-	
Municipal Obligations	283,852	283,852	-	-	
Preferred Equity Securities	215,684	215,684	-	-	
Total Investments	\$ 46,966,246	\$ 46,966,246	\$ -	\$ -	

Schedule H, Line 4i Supplemental Schedule of Assets Held for
Investment Purposes at End of Year

Dynamics Research Corporation
Defined Benefit Pension Plan
EIN #04-2211809 / Plan #002

(a) Identity of Issue, Borrower, Lessor or Similar Party	(b)	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) No. of Shares or Units	(e) Cost	(f) Current Value
<u>Equity Mutual Funds:</u>					
Wisdomtree Diefia Fund		Mutual Funds	163,118	\$ 10,846,387	\$ 7,615,490
Vanguard Growth ETF		Mutual Funds	123,132	7,622,456	6,533,384
Vanguard Value ETF		Mutual Funds	122,928	7,622,084	5,869,812
Calamos Convertible Opp & Inc.		Mutual Funds	10,953	184,163	134,749
Nicholas Applegate EQT Conv		Mutual Funds	6,315	81,205	104,577
Powershares DB G10 Curcy Harcom UT		Mutual Funds	4,110	87,675	96,749
SPDR Gold Trust		Mutual Funds	814	54,527	87,350
Ishares FTSE Nareit Mtg Reits Ind		Mutual Funds	5,830	77,817	85,759
Ishares MSCI South Africa Index Fund		Mutual Funds	1,010	46,275	56,530
Global X China Financials Fund		Mutual Funds	3,140	46,898	44,866
Ishares MSCI Turkey Index Fund		Mutual Funds	660	31,498	35,574
Global X China Industrials		Mutual Funds	1,412	23,269	21,844
Ipath MSCI India Index		Mutual Funds	189	10,566	12,107
		Subtotal: Equity Mutual Funds		\$ 26,734,820	\$ 20,698,791
<u>Common Equity Securities:</u>					
Simon PPTY Group Inc NEW		Corporate Stocks	2,506	\$ 164,287	\$ 199,979
Ishares Barclays Tips Bond Fund		Corporate Stocks	1,547	154,506	160,733
Equity Residential Prop. Trust		Corporate Stocks	3,389	106,735	114,480
Samsung Electronics-GDR 144A		Corporate Stocks	328	99,867	112,528
Vornado Realty Trust		Corporate Stocks	1,606	108,888	112,324
Public Storage Inc		Corporate Stocks	1,195	89,218	97,333
Digital Realty		Corporate Stocks	1,930	73,697	97,040
China Life-ADR		Corporate Stocks	1,317	77,896	96,602
Hon Hai Prec-GDR Spons ADR		Corporate Stocks	10,200	75,033	94,350
Sybase Inc		Corporate Stocks	2,156	50,535	93,570
Boston Properties Inc		Corporate Stocks	1,392	100,731	93,361
Annaly Capital Management Inc		Corporate Stocks	5,335	84,897	92,562
Petroleo Brasileiro S.A. Petrobras		Corporate Stocks	2,159	61,257	91,520

Schedule H, Line 4i Supplemental Schedule of Assets Held for
Investment Purposes at End of Year (Continued)

Dynamics Research Corporation
Defined Benefit Pension Plan
EIN #04-2211809 / Plan #002

(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) No. of Shares or Units	(e) Cost	(f) Current Value
	Waste Connections Inc Com	Corporate Stocks	2,706	75,610	90,218
	Host Hotels & Resorts, Inc	Corporate Stocks	7,506	94,607	87,595
	Ventas Inc	Corporate Stocks	1,866	66,101	81,619
	Vale S.A. Adr	Corporate Stocks	2,776	49,011	80,587
	Ishares FTSE/Xinhua China 25	Corporate Stocks	1,886	72,322	79,702
	Allstate Corp	Corporate Stocks	2,605	55,966	78,254
	Ishares MSCI Taiwan Index FD	Corporate Stocks	5,867	63,050	76,095
	ITAU Unibanco Hldg Sprons Adr	Corporate Stocks	3,262	45,537	74,504
	HCC Ins Hldgs Inc	Corporate Stocks	2,552	71,241	71,379
	Health Care Reit Inc	Corporate Stocks	1,586	67,248	70,292
	POSCO-ADR	Corporate Stocks	531	53,139	69,614
	Hanover Insurance Group Inc	Corporate Stocks	1,545	56,796	68,644
	Watson Wyatt Worldwide Inc	Corporate Stocks	1,376	64,839	65,388
	SL Green Realty Corp	Corporate Stocks	1,242	57,762	62,398
	Patterson Cos Inc	Corporate Stocks	2,203	43,497	61,640
	Cablevision Sys Corp CL A	Corporate Stocks	2,371	55,706	61,219
	Prosperity Bancshares Inc	Corporate Stocks	1,512	45,149	61,191
	Nationwide Health PPTYS Inc	Corporate Stocks	1,733	51,622	60,967
	Lincoln Electric Hldgs Inc	Corporate Stocks	1,131	66,670	60,463
	Phillips Van Heusen Corp	Corporate Stocks	1,469	42,725	59,759
	Covidien PLC	Corporate Stocks	1,245	51,666	59,623
	Syniverse Holdings	Corporate Stocks	3,398	55,238	59,397
	Progress Energy Inc	Corporate Stocks	1,377	62,538	56,471
	Ivanhoe Mines LTD	Corporate Stocks	3,801	42,971	56,235
	Packaging Corp of America	Corporate Stocks	2,426	44,807	55,822
	Nice Systems LTD Spns ADR	Corporate Stocks	1,781	37,430	55,282
	Mednax Inc	Corporate Stocks	916	44,536	55,061
	Washington Federal Inc	Corporate Stocks	2,828	38,900	54,694
	Micros Sys Inc	Corporate Stocks	1,760	38,024	54,613
	Hanesbrands Inc	Corporate Stocks	2,237	31,290	53,934

Schedule H, Line 4i Supplemental Schedule of Assets Held for
Investment Purposes at End of Year (Continued)

Dynamics Research Corporation
Defined Benefit Pension Plan
EIN #04-2211809 / Plan #002

(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) No. of Shares or Units	(e) Cost	(f) Current Value
	Broadridge Finl Solutions Inc	Corporate Stocks	2,380	50,760	53,693
	Avalonbay Communities Inc.	Corporate Stocks	651	51,918	53,454
	Gazprom Apon ADR	Corporate Stocks	2,111	69,293	52,881
	Teleflex Inc	Corporate Stocks	966	49,419	52,058
	Actuant Corp. CL A New	Corporate Stocks	2,776	49,399	51,439
	New York CMNTY Bancorp Inc	Corporate Stocks	3,545	44,370	51,438
	Analog Devices	Corporate Stocks	1,628	43,881	51,412
	Scotts Co CL A	Corporate Stocks	1,307	42,840	51,378
	America Movil S.A.B.De C.V.Adr	Corporate Stocks	1,089	48,064	51,161
	HCP Inc REIT	Corporate Stocks	1,673	53,301	51,093
	Affil. Computer SVCS Inc CL A	Corporate Stocks	851	42,527	50,796
	Airgas Inc	Corporate Stocks	1,059	46,424	50,408
	Shinhan Financial Group ADR	Corporate Stocks	678	59,407	50,362
	Brandywine Rlty TR New	Corporate Stocks	4,397	96,794	50,126
	Essex PPTY TR Inc Com	Corporate Stocks	597	50,995	49,939
	Clorox Co	Corporate Stocks	810	49,103	49,410
	Sr. Housing Properties TR REIT	Corporate Stocks	2,248	44,777	49,164
	Endurance Specialty Hldgs Ltshs	Corporate Stocks	1,319	42,895	49,106
	Varian Semiconductor Equip.	Corporate Stocks	1,357	37,186	48,689
	Heinz H J Co	Corporate Stocks	1,130	48,124	48,319
	Macerich Co Com	Corporate Stocks	1,342	40,792	48,259
	Integrus Energy Group Inc	Corporate Stocks	1,140	61,265	47,869
	Liberty Property Trust	Corporate Stocks	1,492	45,175	47,759
	CACI Intl Inc CL A	Corporate Stocks	974	45,409	47,580
	Gymboree Corp	Corporate Stocks	1,084	44,997	47,187
	MEF Financial Inc Reit	Corporate Stocks	6,405	49,702	47,077
	Nisource, Inc.	Corporate Stocks	3,034	61,894	46,663
	Concho Resources	Corporate Stocks	1,030	24,684	46,247
	KB Financial Group Inc.Sprons	Corporate Stocks	905	38,264	46,019
	Anadarko Petroleum Corp	Corporate Stocks	735	39,643	45,879
	QLOGIC Corp	Corporate Stocks	2,423	35,156	45,722

Schedule H, Line 41 Supplemental Schedule of Assets Held for
Investment Purposes at End of Year (Continued)

Dynamics Research Corporation
Defined Benefit Pension Plan
EIN #04-2211809 / Plan #002

(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) No. of Shares or Units	(e) Cost	(f) Current Value
Aarons Inc		Corporate Stocks	1,641	44,285	45,505
Chubb Corp		Corporate Stocks	925	41,005	45,492
Time Warner Cable, Inc.		Corporate Stocks	1,094	99,550	45,281
Arena Resources		Corporate Stocks	1,048	30,249	45,190
Graftech International LTD		Corporate Stocks	2,892	41,933	44,971
Regency Centers Corporation		Corporate Stocks	1,267	41,379	44,421
Regis Corp		Corporate Stocks	2,850	43,343	44,375
Genzyme Corp		Corporate Stocks	905	59,067	44,354
Reliance Inds Spons GDR		Corporate Stocks	944	39,976	44,245
Melco Pbl Entmnt Ltd Spons Adr		Corporate Stocks	13,162	73,259	44,224
Thompson Creek Metals Co Inc		Corporate Stocks	3,680	47,110	43,130
Teva Pharmaceutical Inds Ltd Adr		Corporate Stocks	765	35,888	42,978
Wiley (John) & Sons Inc Class A		Corporate Stocks	1,025	31,710	42,927
International Speedway CL A		Corporate Stocks	1,504	39,140	42,789
BancorpSouth Inc		Corporate Stocks	1,823	39,361	42,768
Health Care Reit Inc		Corporate Stocks	958	39,441	42,459
Telephone & D-WI		Corporate Stocks	1,384	57,506	41,797
Entergy Corp		Corporate Stocks	510	49,826	41,738
Yanzhou Coal ADR		Corporate Stocks	1,898	30,741	41,433
Prologis		Corporate Stocks	3,012	35,276	41,234
CNOOC LTD-ADR		Corporate Stocks	261	29,514	40,572
UDR INC REIT		Corporate Stocks	2,453	62,322	40,327
B J S Wholesale Club Inc.		Corporate Stocks	1,231	44,547	40,266
Millicom Intl Cellular S A		Corporate Stocks	544	24,415	40,131
St Jude Medical Inc		Corporate Stocks	1,085	44,593	39,906
Oil Co Lukoil Spons ADR		Corporate Stocks	702	46,247	39,593
First Cash Finl Svcs Inc		Corporate Stocks	1,772	30,659	39,321
Oil STS Intl Inc		Corporate Stocks	1,000	24,434	39,290
Wolverine World Wide Inc		Corporate Stocks	1,440	36,103	39,197
Apollo Inv Corporation		Corporate Stocks	4,089	37,317	39,009
Sensient Technologies Corp		Corporate Stocks	1,482	38,945	38,977

Schedule H, Line 4i Supplemental Schedule of Assets Held for
Investment Purposes at End of Year (Continued)

Dynamics Research Corporation
Defined Benefit Pension Plan
EIN #04-2211809 / Plan #002

(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) No. of Shares or Units	(e) Cost	(f) Current Value
	Dreamworks Animation SKG-A	Corporate Stocks	971	24,098	38,791
	Firstmerit Corporation	Corporate Stocks	1,925	34,941	38,770
	Hasbro Inc	Corporate Stocks	1,205	31,100	38,632
	Camden PPTY TR	Corporate Stocks	911	43,163	38,599
	Sempra Energy	Corporate Stocks	687	35,856	38,458
	Scana Corp New	Corporate Stocks	1,020	33,556	38,434
	Range Res Corp Com	Corporate Stocks	770	49,310	38,384
	Kaydon Corp	Corporate Stocks	1,072	42,518	38,335
	Great Plains Energy Inc	Corporate Stocks	1,955	29,971	37,907
	HCP Inc REIT	Corporate Stocks	1,230	30,651	37,564
	Chimera Investment Corp REIT	Corporate Stocks	9,575	31,839	37,151
	General Cable Corp Del	Corporate Stocks	1,255	37,047	36,922
	Assured Guaranty LTD	Corporate Stocks	1,686	32,024	36,687
	Regal Entertainment Group-A	Corporate Stocks	2,540	31,700	36,678
	Gerdau SA Spons ADR	Corporate Stocks	2,133	25,912	36,325
	Walter Energy Inc	Corporate Stocks	471	9,423	35,471
	Alexandria Real Estate Equities	Corporate Stocks	550	27,235	35,360
	Consolidated Edison Inc	Corporate Stocks	770	31,569	34,981
	Jones Lang Lasalle Inc	Corporate Stocks	576	19,408	34,790
	Mack Cali Realty Corp.	Corporate Stocks	1,002	36,657	34,639
	Key Energy Group Inc	Corporate Stocks	3,932	26,179	34,562
	Ishares MSCI South Korea	Corporate Stocks	724	30,207	34,491
	XCEL Energy Inc	Corporate Stocks	1,620	34,078	34,376
	Rockwell Collins	Corporate Stocks	620	29,251	34,323
	McDermott Intl Inc F	Corporate Stocks	1,425	42,859	34,214
	Sunoco Inc	Corporate Stocks	1,305	34,168	34,060
	Highwoods Properties Inc	Corporate Stocks	1,017	23,744	33,917
	Bucyrus International Inc - A	Corporate Stocks	600	12,449	33,822
	Chimera Investment Corp REIT	Corporate Stocks	8,679	28,964	33,675
	Unit Corp	Corporate Stocks	792	29,519	33,660

Schedule H, Line 4i Supplemental Schedule of Assets Held for
Investment Purposes at End of Year (Continued)

Dynamics Research Corporation
Defined Benefit Pension Plan
EIN #04-2211809 / Plan #002

(a)	(b)	(c)	(d)	(e)	(f)
Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	No. of Shares or Units	Cost	Current Value	
Autoliv Inc	Corporate Stocks	767	20,076	33,257	
Robbins & Myers Inc	Corporate Stocks	1,394	24,508	32,787	
Huaneng Pwr Intl Inc Spons ADR	Corporate Stocks	1,456	37,701	32,614	
Landstar Systems Inc	Corporate Stocks	840	30,497	32,567	
MF Global Ltd	Corporate Stocks	4,532	35,225	31,497	
Mattel Inc	Corporate Stocks	1,560	35,251	31,169	
OAO Rosneft-GDR	Corporate Stocks	3,690	20,907	31,070	
China Pete & Chem Corp	Corporate Stocks	352	28,664	31,001	
MFA Financial Inc Reit	Corporate Stocks	4,214	26,585	30,973	
Mobile Telesystems-SP ADR	Corporate Stocks	627	32,876	30,654	
Taiwan Semiconductor Spons ADR	Corporate Stocks	2,674	26,214	30,591	
SRA International Inc - CL A	Corporate Stocks	1,599	32,203	30,541	
Skyworks Solutions Inc	Corporate Stocks	2,133	25,242	30,267	
Conseco Inc	Corporate Stocks	6,040	32,177	30,200	
ICICI BK LTD SPONS ADR	Corporate Stocks	800	23,492	30,168	
Wynn Resorts LTD	Corporate Stocks	516	35,110	30,047	
E*Trade Financial Corporation	Corporate Stocks	16,978	29,742	29,881	
Kilroy Rlty Corp	Corporate Stocks	968	22,863	29,689	
Triquint Semiconductor Inc	Corporate Stocks	4,876	32,447	29,256	
Tanger Factory Outlet Ctrs Inc	Corporate Stocks	747	26,120	29,126	
AMB PPTY Corp Com	Corporate Stocks	1,096	24,477	28,003	
Zimmer Hldgs Inc	Corporate Stocks	470	34,681	27,782	
Aspen Insurance	Corporate Stocks	1,088	25,511	27,690	
Sasol Ltd-Sponsored ADR	Corporate Stocks	685	23,381	27,359	
Companhia De Bebidas-PR Adr	Corporate Stocks	269	16,091	27,193	
Transdigm Group Inc	Corporate Stocks	572	22,206	27,164	
Noble Energy, Inc.	Corporate Stocks	376	17,327	26,779	
Dell Inc	Corporate Stocks	1,860	21,390	26,710	
Genuine Parts Co.	Corporate Stocks	702	26,334	26,648	
China Mobile Ltd Spons ADR	Corporate Stocks	550	27,271	25,537	
Northwest Bancshares	Corporate Stocks	2,237	24,684	25,205	

Schedule H, Line 4i Supplemental Schedule of Assets Held for
Investment Purposes at End of Year (Continued)

Dynamics Research Corporation
Defined Benefit Pension Plan
EIN #04-2211809 / Plan #002

(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) No. of Shares or Units	(e) Cost	(f) Current Value
Ameren Corp		Corporate Stocks	892	41,201	24,931
Infosys Technologies Spons ADR		Corporate Stocks	449	18,029	24,816
Ultra Pete Corp		Corporate Stocks	497	24,869	24,780
Federal Rlty Invst TR		Corporate Stocks	365	24,064	24,718
Valmont Inds Inc Com		Corporate Stocks	315	24,537	24,712
Nordson Corp		Corporate Stocks	402	17,121	24,594
Philippine Long Distance		Corporate Stocks	424	20,950	24,028
Smith A O Corp		Corporate Stocks	551	19,983	23,908
Turkcell Iletisim Hizmetlerispon		Corporate Stocks	1,340	23,586	23,437
BRF-Brasil Foods SA Spons ADR		Corporate Stocks	446	21,204	23,357
China Unicom LTD Spons ADR		Corporate Stocks	1,772	23,798	23,231
Fomento Economico Mexicano-ADR		Corporate Stocks	482	18,245	23,078
GMX Resources		Corporate Stocks	1,669	27,716	22,932
AU Optonics Corp Spons ADR		Corporate Stocks	1,911	19,277	22,913
Hexcel Corp		Corporate Stocks	1,764	21,675	22,897
Cintas Corp		Corporate Stocks	855	32,687	22,290
Baidu Inc Spons ADR		Corporate Stocks	54	14,433	22,206
Las Vegas Sands		Corporate Stocks	1,483	23,148	22,156
Credicorp Limited		Corporate Stocks	286	16,491	22,028
SK Telecom LTD		Corporate Stocks	1,351	22,101	21,967
West Pharmaceutical Service Inc		Corporate Stocks	560	16,720	21,952
Endesa Spons ADR		Corporate Stocks	431	20,608	21,666
Companhia Energetica DeMinas		Corporate Stocks	1,174	16,232	21,202
American Campus		Corporate Stocks	753	17,826	21,159
Fifth Street Finance Corp.		Corporate Stocks	1,948	20,523	20,922
Rayonier Inc		Corporate Stocks	495	20,600	20,869
Lasalle Hotel PPTYs		Corporate Stocks	965	18,780	20,487
Old Republic Intl Corp		Corporate Stocks	2,011	45,378	20,190
MTN Group Ltd-Spons ADR		Corporate Stocks	1,248	21,838	20,080
Eastgroup PPTYs Inc REIT		Corporate Stocks	520	18,376	19,906
Vivo Participacoes SA Spons Adr		Corporate Stocks	634	13,200	19,654

Schedule H, Line 4i Supplemental Schedule of Assets Held for
Investment Purposes at End of Year (Continued)

Dynamics Research Corporation
Defined Benefit Pension Plan
EIN #04-2211809 / Plan #002

(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) No. of Shares or Units	(e) Cost	(f) Current Value
	Diamondrock Hospital	Corporate Stocks	2,317	18,534	19,625
	Tyler Technologies Inc	Corporate Stocks	975	12,402	19,412
	A O N Corp	Corporate Stocks	505	17,558	19,362
	Brasil Telecom SA Spons Adr	Corporate Stocks	659	20,636	19,197
	Bradesco-ADR	Corporate Stocks	833	15,159	18,218
	Acadia Realty Trust	Corporate Stocks	1,066	18,319	17,983
	Anglogold Ashanti Limited	Corporate Stocks	433	13,905	17,398
	Plum Creek Timber Co Inc	Corporate Stocks	453	14,478	17,105
	Gold Fields LTD NEW	Corporate Stocks	1,285	14,137	16,846
	Danvers Bancorp	Corporate Stocks	1,289	17,283	16,744
	Chunghwa Telecom Spons ADR	Corporate Stocks	887	14,948	16,472
	Ares Capital Corp	Corporate Stocks	1,320	16,198	16,434
	JSC MMC Norilsk Nickel ADR	Corporate Stocks	1,130	14,612	16,216
	DCT Industrial Trust Inc REIT	Corporate Stocks	3,173	22,715	15,928
	Petrochina Co LYD-ADR	Corporate Stocks	130	13,298	15,465
	Lindsay Corporation	Corporate Stocks	374	9,486	14,904
	Southern Copper Corp	Corporate Stocks	421	13,179	13,855
	Naspers Ltd Spons ADR	Corporate Stocks	322	11,023	13,138
	Retail Opportunity Investments	Corporate Stocks	1,293	13,383	13,046
	Vimpelcom-Spons ADR	Corporate Stocks	699	12,030	12,994
	Louisiana PAC Corp	Corporate Stocks	1,800	12,601	12,564
	Territorial Bancorp Inc	Corporate Stocks	649	10,772	11,714
	Mid-Amer Apt Cmnty Inc	Corporate Stocks	235	10,374	11,346
	United Financial Bancorp Inc	Corporate Stocks	865	10,940	11,340
	Omega Healthcare Invs Inc	Corporate Stocks	552	8,458	10,736
	Pebblebrook Hotel	Corporate Stocks	455	9,546	10,015
	Taubman Ctrs Inc	Corporate Stocks	268	9,027	9,624
	Vantage Drilling Co	Corporate Stocks	5,950	10,323	9,580
	Hutchison Telecom. ADR	Corporate Stocks	3,585	5,987	8,891
	Grupo Televisa SA DE CV	Corporate Stocks	382	7,147	7,930

Schedule H, Line 4i Supplemental Schedule of Assets Held for
Investment Purposes at End of Year (Continued)

Dynamics Research Corporation
Defined Benefit Pension Plan
EIN #04-2211809 / Plan #002

(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) No. of Shares or Units	(e) Cost	(f) Current Value
	Brasil Telecom SA Spons Adr	Corporate Stocks	374	6,255	5,980
	Desarrollado-Adr	Corporate Stocks	176	8,143	5,917
	Petroleo Brasileiro S.A. ADR	Corporate Stocks	115	5,860	5,483
	Starwood Hotels & Resorts	Corporate Stocks	146	4,832	5,339
	Diamondrock Hospital	Corporate Stocks	588	4,733	4,980
	Washington Real Estate Inv't TR	Corporate Stocks	171	5,288	4,711
	Lasalle Hotel PPTYS	Corporate Stocks	218	3,657	4,628
		Subtotal: Common Equity Securities		\$ 8,634,215	\$ 9,445,118
		Corporate and Foreign Bonds:			
	IBM Corp.	Expiry Date November 29, 2012, Interest Rate 4.750% Per Annum	300,000	\$ 295,395	\$ 322,302
	National Rural Util	Expiry Date March 1, 2014, Interest Rate 4.750% Per Annum	300,000	287,241	318,621
	Gen Elec Cap CRP	Expiry Date May 1, 2013, Interest Rate 4.800% Per Annum	300,000	296,121	313,581
	Oracle Corp.	Expiry Date April 15, 2013, Interest Rate 4.950% Per Annum	250,000	251,080	268,265
	Hewlett-Packard Co	Expiry Date March 1, 2012, Interest Rate 5.250% Per Annum	250,000	247,747	268,202
	Goldman Sachs	Expiry Date January 15, 2015, Interest Rate 4.125% Per Annum	250,000	243,507	262,688
	Cisco Systems	Expiry Date February 22, 2011, Interest Rate 5.250% Per Annum	250,000	253,120	262,332
	Eli Lilly & Co	Expiry Date March 6, 2014, Interest Rate 4.200% Per Annum	250,000	253,617	262,242
	Target Corp	Expiry Date August 15, 2010, Interest Rate 7.500% Per Annum	250,000	277,865	260,677
	JP Morgan Chase & Co.	Expiry Date May 01, 2015, Interest Rate 5.250% Per Annum	250,000	251,555	260,175
	Wal-Mart Stores	Expiry Date August 15, 2010, Interest Rate 4.750% Per Annum	250,000	243,887	257,035
	Conoco Funding Co.	Expiry Date October 15, 2011, Interest Rate 6.350% Per Annum	200,000	208,730	217,592
	Costco Companies	Expiry Date March 15, 2012 Interest Rate 5.300% Per Annum	200,000	199,648	215,752
	United Parcel	Expiry Date January 15, 2018, Interest Rate 5.500% Per Annum	200,000	211,324	215,578
	Abbott Labs	Expiry Date November 30, 2017, Interest Rate 5.600% Per Annum	190,000	189,858	206,342
	Silgan Holdings	Expiry Date August 15, 2016, Interest Rate 7.250% Per Annum	180,000	184,500	184,950
	Sysco Corp	Expiry Date February 12, 2018, Interest Rate 5.250% Per Annum	100,000	101,359	104,410
	Biomet Inc	Expiry Date October 15, 2017, Interest Rate 10.375% Per Annum	96,000	102,960	104,160
	NRG Energy Inc	Expiry Date February 1, 2016, Interest Rate 7.375% Per Annum	100,000	102,531	100,125
	HCA Inc	Expiry Date November 15, 2016, Interest Rate 9.625% Per Annum	90,000	96,975	97,425
	Mediacom Broadband	Expiry Date October 15, 2015, Interest Rate 8.500% Per Annum	95,000	96,213	95,950

Schedule H, Line 4i Supplemental Schedule of Assets Held for
Investment Purposes at End of Year (Continued)

Dynamics Research Corporation
Defined Benefit Pension Plan
EIN #04-2211809 / Plan #002

(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) No. of Shares or Units	(e) Cost	(f) Current Value
	Tenneco Inc	Expiry Date November 15, 2014, Interest Rate 8.625% Per Annum	95,000	97,019	95,831
	Leslie's Poolmrt	Expiry Date February 1, 2013 Interest Rate 7.750% Per Annum	95,000	93,850	95,475
	Suburban Propane	Expiry Date December 15, 2013, Interest Rate 6.875% Per Annum	95,000	95,487	95,000
	Elizabeth Arden	Expiry Date January 15, 2014, Interest Rate 7.750% Per Annum	95,000	96,412	93,575
	Teekay Shipping	Expiry Date July 15, 2011, Interest Rate 8.875% Per Annum	90,000	102,387	93,263
	Stewart Enterprises	Expiry Date February 15, 2013, Interest Rate 6.250% Per Annum	95,000	89,537	92,506
	Graphic Package	Expiry Date June 15, 2017, Interest Rate 9.500% Per Annum	85,000	90,388	90,100
	Iron Mountain Inc	Expiry Date July 15, 2018, Interest Rate 8.750% Per Annum	85,000	85,213	88,188
	GSC Holdings	Expiry Date October 1, 2012, Interest Rate 8.000% Per Annum	85,000	88,537	88,081
	Community Health	Expiry Date July 15, 2015, Interest Rate 8.875% Per Annum	85,000	85,850	87,975
	CSC Holdings Inc	Expiry Date July 15, 2018, Interest Rate 7.625% Per Annum	85,000	82,708	87,550
	Georgia Pacific Corp	Expiry Date January 15, 2024, Interest Rate 8.000% Per Annum	85,000	85,956	86,700
	B&G Foods Holding	Expiry Date October 1, 2011, Interest Rate 8.000% Per Annum	85,000	85,675	86,488
	Ferrellgas Partners	Expiry Date June 15, 2012, Interest Rate 8.750% Per Annum	85,000	89,369	86,062
	NBTY Inc.	Expiry Date October 1, 2015, Interest Rate 7.125% Per Annum	85,000	80,500	85,213
	Chesapeake Energy	Expiry Date January 15, 2016, Interest Rate 6.875% Per Annum	85,000	71,400	85,000
	Amerigas Partners	Expiry Date May 20, 2016, Interest Rate 7.125% Per Annum	85,000	81,175	85,000
	Pioneer Natural	Expiry Date March 15, 2017, Interest Rate 6.650% Per Annum	85,000	68,425	83,833
	Videotron LTEE	Expiry Date December 15, 2015, Interest Rate 6.375% Per Annum	85,000	83,088	83,088
	Psychiatric Solutions	Expiry Date July 15, 2015, Interest Rate 7.750% Per Annum	85,000	83,725	82,238
	Rio Tinto Fin	Expiry Date July 15, 2028, Interest Rate 7.125% Per Annum	70,000	58,800	79,233
	Astrazeneca PLC	Expiry Date September 15, 2037, Interest Rate 6.450% Per Annum	66,000	65,982	74,335
	Lazard Group LLC	Expiry Date May 15, 2015, Interest Rate 7.125% Per Annum	71,000	71,941	73,708
	Walgreen Co	Expiry Date August 1, 2013, Interest Rate 4.875% Per Annum	68,000	68,409	73,022
	Energy Tran Ptnr	Expiry Date July 1, 2038, Interest Rate 7.500% Per Annum	66,000	70,157	72,315
	Newmont Mining	Expiry Date October 1, 2039, Interest Rate 6.250% Per Annum	72,000	70,860	72,086
	BK of NY Mellon MTN	Expiry Date April 1, 2013, Interest Rate 4.500% Per Annum	68,000	68,186	71,809
	JP Morgan Chase & Co.	Expiry Date April 23, 2019, Interest Rate 6.300% Per Annum	65,000	72,484	71,505
	Diageo Cap Plc	Expiry Date January 30, 2012, Interest Rate 5.125% Per Annum	67,000	67,811	71,222
	Verizon Comm Inc.	Expiry Date November 1, 2018, Interest Rate 8.750% Per Annum	57,000	61,503	71,194

Schedule H, Line 4i Supplemental Schedule of Assets Held for
Investment Purposes at End of Year (Continued)

Dynamics Research Corporation
Defined Benefit Pension Plan
EIN #04-2211809 / Plan #002

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c)	(d) No. of Shares or Units	(e) Cost	(f) Current Value
Shell Intl Fin		Expiry Date December 15, 2038, Interest Rate 6.375% Per Annum	63,000	64,205	71,025
AT & T Inc		Expiry Date February 1, 2018, Interest Rate 5.500% Per Annum	68,000	65,032	70,953
Comcast Corp.		Expiry Date June 15, 2016, Interest Rate 4.950% Per Annum	69,000	63,658	70,862
Fund American Co		Expiry Date May 15, 2013, Interest Rate 5.875% Per Annum	71,000	70,833	70,849
Kroger Co		Expiry Date January 15, 2014, Interest Rate 7.500% Per Annum	62,000	68,850	70,760
Oracle Corp.		Expiry Date April 15, 2018, Interest Rate 5.750% Per Annum	65,000	64,919	70,277
Credit Suisse		Expiry Date August 15, 2015, Interest Rate 5.125% Per Annum	66,000	71,028	70,173
CME Group Inc MTN		Expiry Date August 1, 2013, Interest Rate 5.400% Per Annum	65,000	65,491	70,149
GE Company		Expiry Date February 1, 2013, Interest Rate 5.000% Per Annum	66,000	69,112	69,825
Cisco Systems		Expiry Date January 15, 2040, Interest Rate 5.500% Per Annum	73,000	72,199	69,803
Veolia Environment		Expiry Date June 1, 2018, Interest Rate 6.000% Per Annum	66,000	65,749	69,691
General Dynamics		Expiry Date February 1, 2014, Interest Rate 5.250% Per Annum	64,000	68,999	69,630
Vodafone Group		Expiry Date June 15, 2011, Interest Rate 5.500% Per Annum	66,000	65,755	69,608
Transocean Inc		Expiry Date March 15, 2038 Interest Rate 6.800% Per Annum	62,000	62,366	69,328
Jefferies Group		Expiry Date July 15, 2019, Interest Rate 8.500% Per Annum	63,000	69,453	68,867
Teva Pharmaceutical		Expiry Date February 1, 2016, Interest Rate 5.550% Per Annum	65,000	64,330	68,612
Schering-Plough		Expiry Date September 15, 2037, Interest Rate 6.550% Per Annum	60,000	60,529	68,143
Pacific Gas & Elec		Expiry Date March 1, 2034, Interest Rate 6.050% Per Annum	65,000	63,220	67,862
Pepsico Inc		Expiry Date November 1, 2018, Interest Rate 7.900% Per Annum	55,000	54,867	67,499
MidAmerican Egy Hldg		Expiry Date February 15, 2014, Interest Rate 5.000% Per Annum	64,000	61,025	67,159
Wal-Mart Stores		Expiry Date August 15, 2037, Interest Rate 6.500% Per Annum	58,000	58,724	66,003
Hewlett-Packard Co		Expiry Date March 1, 2013, Interest Rate 4.500% Per Annum	62,000	61,951	65,730
Encore Acquisition		Expiry Date April 15, 2014, Interest Rate 6.250% Per Annum	65,000	65,000	65,000
Enterprise Products		Expiry Date March 1, 2035, Interest Rate 5.750% Per Annum	69,000	63,191	64,071
Placer Dome, Inc.		Expiry Date October 15, 2035, Interest Rate 6.450% Per Annum	61,000	62,046	62,617
Centerpoint Ener Res		Expiry Date April 1, 2013, Interest Rate 7.875% Per Annum	55,000	62,139	61,950
Constellation Brnds		Expiry Date September 1, 2016, Interest Rate 7.250% Per Annum	60,000	61,763	60,900
Dollar General		Expiry Date July 15, 2015, Interest Rate 10.625% Per Annum	50,000	53,500	55,375
Moog Inc		Expiry Date June 15, 2018, Interest Rate 7.250% Per Annum	45,000	43,819	43,481
Goldman Sachs GP		Expiry Date April 1, 2018, Interest Rate 6.150% Per Annum	30,000	26,207	32,115

Schedule H, Line 4i Supplemental Schedule of Assets Held for
Investment Purposes at End of Year (Continued)

Dynamics Research Corporation
Defined Benefit Pension Plan
EIN #04-2211809 / Plan #002

(a) Identity of Issue, Borrower, Lessor or Similar Party	(b) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(c) No. of Shares or Units	(d) Cost	(e) Current Value
Dex Media Inc V-A	Expiry Date November 15, 2013, Interest Rate 9.000% Per Annum	95,000	87,400	23,987
Nalco Company	Expiry Date November 15, 2012, Interest Rate 8.875% Per Annum	22,000	22,687	22,660
Hewlett-Packard Co	Expiry Date March 1, 2014, Interest Rate 6.125% Per Annum	2,000	2,250	2,235
	Subtotal: Corporate and Foreign Bonds		\$ 8,790,364	\$ 9,117,198
U.S. Treasury Obligations:				
US Treasury Bonds	Expiry Date September 30, 2013, Interest Rate 3.125% Per Annum	707,000	\$ 741,975	\$ 734,785
US Treasury Notes	Expiry Date November 15, 2018, Interest Rate 3.750% Per Annum	683,000	706,901	682,945
US Treasury Notes	Expiry Date April 30, 2010, Interest Rate 2.125% Per Annum	648,000	654,137	652,180
US Treasury Notes	Expiry Date May 15, 2019, Interest Rate 3.125% Per Annum	566,000	543,212	536,018
US Treasury Notes	Expiry Date May 15, 2017, Interest Rate 4.500% Per Annum	375,000	392,314	400,868
US Treasury Bonds	Expiry Date November 15, 2012, Interest Rate 4.000% Per Annum	350,000	335,563	373,870
US Treasury Notes	Expiry Date June 30, 2010, Interest Rate 2.875% Per Annum	295,000	299,645	298,862
US Treasury Notes	Expiry Date May 15, 2018, Interest Rate 3.875% Per Annum	278,000	288,927	282,278
US Treasury Notes	Expiry Date June 30, 2013, Interest Rate 3.375% Per Annum	198,000	211,287	207,823
US Treasury Notes	Expiry Date August 15, 2011, Interest Rate 5.000% Per Annum	150,000	157,992	159,938
US Treasury Notes	Expiry Date 3/31/10 Interest Rate 1.7500% Per Annum	140,000	141,334	140,542
US Treasury Notes	Expiry Date August 15, 2019, Interest Rate 3.625% Per Annum	119,000	120,389	116,992
US Treasury Notes	Expiry Date March 15, 2012, Interest Rate 1.375% Per Annum	60,000	60,514	60,136
US Treasury Notes	Expiry Date August 15, 2025, Interest Rate 6.875% Per Annum	47,000	62,716	59,653
US Treasury Notes	Expiry Date February 15, 2016, Interest Rate 4.500% Per Annum	16,000	16,935	17,259
	Subtotal U.S. Treasury Obligations:		\$ 4,733,841	\$ 4,724,149
Partnership/Joint Venture Interest:				
CMF Institutional Futures Port LP	Mutual Funds	2,000	2,000,000	2,000,000
Multi-Strt Ser G	Mutual Funds	1,000,000	1,000,000	1,000,000
	Subtotal: Fixed Income Mutual Funds		\$ 3,000,000	\$ 3,000,000

Schedule H, Line 4: Supplemental Schedule of Assets Held for
Investment Purposes at End of Year (Continued)

Dynamics Research Corporation
Defined Benefit Pension Plan
EIN #04-2211809 / Plan #002

(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) No. of Shares or Units	(e) Cost	(f) Current Value
<u>Fixed Income Mutual Funds:</u>					
	ING Prime Rate Trust	Mutual Funds	52,216	\$ 255,821	\$ 272,567
	Van Kampen Senior Income TR	Mutual Funds	43,554	185,140	183,798
	Eaton Vance Ltd Duration Income	Mutual Funds	11,684	180,307	174,092
	Nuveen PFD & CVRT Inc FD 2	Mutual Funds	22,316	165,716	171,621
	Calamos CVT & High Income	Mutual Funds	14,866	187,486	171,591
	Easton Vance Sr Income TR	Mutual Funds	26,754	141,603	167,480
	Ishares Barclays MBS Bond FD	Mutual Funds	1,511	160,496	160,136
	Nuveen PFD & Conv Income FD	Mutual Funds	19,095	144,744	143,021
	Blackrock Pfd Opprty Trust	Mutual Funds	13,222	134,129	135,790
	Evergreen Managed Income FD	Mutual Funds	9,459	142,657	134,129
	Blackrock LTD Duration Inc	Mutual Funds	7,052	98,546	103,382
	Morgan Stanley Emerging Mkts	Mutual Funds	6,487	75,770	88,742
	Nuveen Quality Preferred II	Mutual Funds	10,450	71,275	75,768
	Helios Advantage Income Fund	Mutual Funds	10,384	318,760	68,431
	MFS Govt Markets Income Trust	Mutual Funds	9,173	66,172	68,339
	Aberdeen Asia Pac Income Fund	Mutual Funds	10,406	63,730	64,689
	Alliancebernstein Inc. Fund	Mutual Funds	7,709	56,898	63,599
	WA/Clay US Infl-Lkd Sec & Inc	Mutual Funds	4,459	54,617	54,846
	Helios Strategic Income Fund	Mutual Funds	9,898	331,777	51,767
	Eaton Vance Float RT Inc TR	Mutual Funds	2,404	26,224	34,041
	Blackrock Debt Strat. Fund Inc	Mutual Funds	9,403	34,414	33,851
	Blackrock Pref. Income Strat.FD	Mutual Funds	3,604	33,631	33,805
	Blackrock Core Bond Trust	Mutual Funds	2,824	33,836	33,577
	Pimco Corp Opportunity FD	Mutual Funds	2,243	19,091	32,299
	Duff & Phelps Util & Corp BD TR	Mutual Funds	2,583	30,109	31,745
	Subtotal: Fixed Income Mutual Funds		313,756	\$ 3,012,949	\$ 2,553,106

Schedule H, Line 4i Supplemental Schedule of Assets Held for
Investment Purposes at End of Year (Continued)

Dynamics Research Corporation
Defined Benefit Pension Plan
EIN #04-2211809 / Plan #002

(a) Identity of Issue, Borrower, Lessor or Similar Party	(b) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(c) No. of Shares or Units	(d) Cost	(e) Current Value
<u>Money Market Accounts:</u>				
SEI	SEI Daily Income Prime Obligation CLB	2,151,543	\$ 2,151,543	\$ 2,151,543
<u>U.S. Government Securities:</u>				
FHLMC Pool	Expiry Date July 15, 2012, Interest Rate 5.125% Per Annum	398,000	\$ 412,782	\$ 432,328
FHLMC Pool	Expiry Date July 15, 2013, Interest Rate 4.500% Per Annum	400,000	391,310	431,752
FNMA Pool	Expiry Date October 15, 2014, Interest Rate 4.625% Per Annum	375,000	363,500	406,290
FNMA Pool	Expiry Date May 15, 2010, Interest Rate 4.1250% Per Annum	400,000	386,253	405,752
	Subtotal: U.S. Government Securities		\$ 1,553,845	\$ 1,676,122
<u>Preferred Equity Securities:</u>				
Merrill Lynch Cap Tr III PFD	Corporate Stocks	5,925	\$ 102,881	\$ 121,759
Wachovia Capital Trust X	Corporate Stocks	4,725	110,663	119,873
	Subtotal: Preferred Equity Securities:		\$ 213,544	\$ 241,632
	Total		\$ 58,825,121	\$ 53,607,659

* (a) Represents a party-in-interest to the Plan.

Schedule H, Line 4j Supplemental Schedule of Reportable
Transactions for the Year Ended December 31, 2009

Dynamics Research Corporation
Defined Benefit Pension Plan
EIN #04-2211809 / Plan #002

(a) Identity of Party Involved	(b) Description of Asset (including interest and maturity)	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred With Transaction	(g) Cost of Assets	(h) Current Value Of Assets On Transaction Date	(i) Net Gain (Loss)
Series of Transactions With Same Broker Exceeds 5% of Value								
Smith Barney	Purchases	\$ 2,513,206	\$ -	N/A	\$ -	\$ 2,513,206	\$ 2,513,206	\$ -
	Sales	-	6,915,098	N/A	-	8,374,839	6,915,098	(1,459,741)