Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
ALLION HEALTHCARE 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2004

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

1660 WALT WHITMAN ROAD
SUITE 105
MELVILLE, NY 11747

2b Employer Identification Number (EIN)
11-2962027

2c Sponsor's telephone number
631-870-5100

2d Business code (see instructions)
621399

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.	10/14/2010	DONNA TEMPESTA
	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")

ALLION HEALTHCARE

1660 WALT WHITMAN ROAD
SUITE 105
MELVILLE, NY 11747

3b Administrator's EIN: 11-2962027

3c Administrator's telephone number: 631-870-5100

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**	312
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**	272
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	27
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	299
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	299
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	97
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2G 2J 2K 3D

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

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

A Name of plan
ALLION HEALTHCARE 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ALLION HEALTHCARE

D Employer Identification Number (EIN)
11-2962027

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	17254	10202
(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)	1178082	1575685
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	1195336	1585887
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	1195336	1585887

Part II Income and Expense Statement

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

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)		
	(B) Participants	2a(1)(B)	314035	
	(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)		314035
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	2401	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		2401
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	16747	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		16747
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(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)		274614
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		607797
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	212318	
(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)		212318
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)	4928	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		4928
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		217246
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		390551
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

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

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

(1) Name: EICHEN & DIMEGLIO, P.C. (2) EIN: 11-3320902

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		1000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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

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

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

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

A Name of plan
ALLION HEALTHCARE 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
ALLION HEALTHCARE

D Employer Identification Number (EIN)
11-2962027

Part I Distributions

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

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

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

EIN(s): 26-0010549 23-2383285

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

ALLION HEALTHCARE 401(k) PLAN

Statements of Net Assets Available for Benefits as of December 31, 2009 and 2008, Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2009, Supplemental Schedule for the Year Ended December 31, 2009 and Independent Auditors' Report

EICHEN & DIMEGLIO, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

1 Dupont Street, Suite 203
Plainview, New York 11803

Tel. (516) 576-3333
Fax (516) 576-3342

INDEPENDENT AUDITORS' REPORT

Allion Healthcare 401(k) Plan :

We were engaged to audit the accompanying statements of net assets available for benefits of Allion Healthcare 401(k) Plan (the "Plan") as of December 31, 2009 and 2008, the related statement of changes in net assets available for benefits for year ended December 31, 2009 and the supplemental schedule of assets held at end of year - December 31, 2009. These financial statements and schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by OFI Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of 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 in the financial statements that we did not audit, we are unable to, and do not, express an opinion on the financial statements and schedule taken as a whole. The form and content of the information included in the financial statements and schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Eichen & DiMeglio, P.C.

September 29, 2010

ALLION HEALTHCARE 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS AS OF DECEMBER 31, 2009 AND 2008

	2009	2008
ASSETS:		
INVESTMENTS, participant directed, at fair value		
Mutual funds	$ 1,575,685	$ 1,178,082
Participant loans	10,202	17,254
Total investments	1,585,887	1,195,336
NET ASSETS AVAILABLE FOR BENEFITS	$ 1,585,887	$ 1,195,336

See notes to financial statements.

ALLION HEALTHCARE 401(k) PLAN

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

NET ASSETS AVAILABLE FOR BENEFITS, JANUARY 1, 2009	$ 1,195,336
ADDITIONS TO NET ASSETS:	
Contributions from participants	314,035
Interest and dividend income	16,747
Interest on participant loans	2,401
Net appreciation in fair value of investments	274,614
Total additions	607,797
DEDUCTIONS FROM NET ASSETS:	
Benefits paid to participants	(212,318)
Administrative expenses	(4,928)
Total deductions	(217,246)
NET INCREASE IN ASSETS	390,551
NET ASSETS AVAILABLE FOR BENEFITS, DECEMBER 31, 2009	$ 1,585,887

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

1. PLAN DESCRIPTION

Background - The Allion Healthcare 401(k) Plan (the "Plan") is a defined contribution plan as described in the Internal Revenue Code ("IRC") section 401(k) sponsored by Allion Healthcare Inc. (the "Company"). The Plan was adopted on January 1, 2001 and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). OFI Trust Company is the trustee of the Plan.

The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a complete description of the Plan's provisions.

Acquisition of Biomed Healthcare Inc. and Related Plan Amendments - The Company acquired Biomed Healthcare Inc. ("Biomed") in April 2008. Effective November 2009, the Biomed plan was frozen and Biomed employees who became active on the Company's payroll became eligible to participate in the Plan. See Note 6 for a description of the merger of the Biomed plan into the Plan in 2010.

Other Plan Amendments - The Plan administrator adopted amended and restated prototype plan documents effective January 1, 2009 to incorporate numerous regulatory and statutory changes.

Eligibility - The Plan is available to employees of the Company (excluding those who are represented by a bargaining unit for collective bargaining purposes and nonresident aliens who have no earned income from sources within the United States) who have attained age 21 and completed three months of service. An eligible employee may elect participation in the Plan as of the first day of the month coinciding with or next following the date the eligibility requirements are satisfied.

Contributions and Vesting - Participants in the Plan may make salary deferral 401(k) contributions, specified as a percentage of their eligible compensation, on a pre-tax basis, referred to as "regular 401(k) deferrals". In addition, beginning June 1, 2007, Plan participants may make Roth 401(k) deferral contributions, specified as a percentage of their eligible compensation. The Plan allows for such combined contributions up to 100 percent of eligible compensation, subject to Section 401(k) maximum limitations ($16,500 and $15,500 for the years ended December 31, 2009 and 2008, respectively). Additionally, those participants who are age 50 or above may make catch-up contributions of up to $5,500.

An eligible employee may make a transfer to the Plan of a benefit from a qualified retirement plan of another employer, referred to as rollover contributions, with certain restrictions.

The Plan allows for a discretionary employer matching or profit sharing contribution. No such contributions were made for the year ended December 31, 2009.

Contributions from participants consisted of the following during 2009:

Regular 401(k) deferral (including catch-up) contributions	$ 308,634
Roth 401(k) deferral contributions	5,401
Total	$ 314,035

Participants are fully and immediately vested in their own contributions and earnings thereon. Vesting in Company contributions and the earnings thereon occurs at the rate of 33 percent after the first year of service, 66 percent after two years of service, and 100 percent after three years of service. In addition, participants become fully vested in Company contributions upon attainment of normal retirement age (age 65), total disability, as defined in the Plan, death, or the termination of the Plan.

Regular 401(k) deferral contributions from participants which amounted to $308,634 in 2009 include approximately $98,000 in excess of the maximum allowed. Accordingly, these amounts were refunded during 2010.

Forfeitures - When participants terminate employment prior to full vesting, the nonvested amounts in their individual accounts, referred to as forfeitures, are reallocated to participants or used to pay Plan expenses.

Distributions to Participants - Distributions to participants are available upon the following events: retirement, termination of employment, the attainment of age 65, or death. A participant's benefit, consisting of his/her entire account balance, is paid in the form of a lump sum payment. Payment shall be made as soon as administratively feasible following the event, provided, however, that the participant's consent is obtained for distributions of amounts in excess of $5,000. A participant with an account balance in excess of $5,000 may elect to defer payment until minimum distribution rules apply under the IRC.

The Plan also provides for hardship withdrawals to participants and to beneficiaries upon death of the participant, when the requirements described in the Plan agreement are met.

Participant Loans - The Plan provides for loans to participants subject to rules described in the Plan agreement. Loans to participants bear interest at the rate of 4.25 percent to 9.25 percent per annum and are repaid to the Plan in either weekly or biweekly installment over terms of up to five years. Longer loan terms are permissible if the loan proceeds are used in connection with the purchase of the participant's primary residence.

Administrative Expenses - Administrative expenses consist primarily of loan and distribution fees. The majority of professional and administrative fees and other expenses of the Plan have been paid by the Company in 2009. In accordance with Plan provisions, the Company may, at any time, elect to have all of such expenses paid by the Plan.

Termination - The Company intends to continue the Plan indefinitely, but reserves the right to modify or discontinue it at its discretion, subject to applicable provisions of ERISA.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The Plan's policy is to prepare financial statements on the accrual basis of accounting.

Investment Valuation and Income Recognition – The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for further information regarding fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Capital gain distributions are included in dividend income. Net appreciation (depreciation) in fair value includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Risks and Uncertainties - The Plan provides for various investment options, including mutual fund accounts with underlying investments in any combination of stocks, bonds, fixed income securities, other mutual funds and other investment securities. Investment securities are exposed to interest rate, market and credit risk. As a result of the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect participant account balances and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the accompanying financial statements and notes. Actual results could differ from those estimates.

Subsequent Events - The Company has evaluated subsequent events through September 29, 2010, the date the financial statements were available to be issued.

3. INCOME TAX STATUS

In March 2008, the Internal Revenue Service stated in an opinion letter that the prototype plan adopted by the Plan administrator was in compliance with the applicable requirements of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the opinion letter, however, the Plan administrator and management believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Accordingly, they believe that the Plan is qualified and the related trust is tax-exempt.

4. INVESTMENTS

The following information included in the accompanying statements of net assets available for benefits and supplemental schedule was obtained from data that has been prepared and certified as complete and accurate by the trustee:

	December 31, 2009		December 31, 2008	
Participant-directed investments:				
Mutual funds, at fair value:				
Oppenheimer Cash Reserves Fund	$ 268,392	*	$ 205,894	*
Oppenheimer Global Fund	79,762	*	66,813	*
American Funds EuroPacific Growth Fund	266,553	*	231,804	*
Black Rock Global Allocation Fund	1,472		0	
Davis NY Venture Fund	77,578		44,708	
Eaton Vance Stock Fund	159,959	*	0	
Federated Total Return Bond Fund	88,252	*	0	
Fidelity Advisor Small Cap Fund	118,094	*	0	
Franklin Income Fund	31,966		19,311	
Main Stay Large Cap Growth	190,870	*	0	
PIMCO Real Return Fund	216,276	*	145,731	*
Victory Special Value Fund	76,511		0	
Oppenheimer Value Fund	0		120,695	*
Oppenheimer Capital Appreciation Fund	0		125,639	*
Oppenheimer Main Street Small Cap Fund	0		84,353	*
Oppenheimer Quest Balanced Fund	0		91	
Calvert Income Fund	0		71,616	*
Lord Abbett Mid Cap Value Fund	0		61,427	*
Total mutual funds	$ 1,575,685		$ 1,178,082	
Participant loans, at outstanding principal balance	$ 10,202		$ 17,254	

* Such individual investments represent 5 percent or more of net assets available for benefits.

The following information included in the accompanying statement of changes in net assets available for benefits was obtained from data that has been prepared and certified as complete and accurate by the trustee:

	Year Ended December 31, 2009
Investment income:	
Interest and dividend income	$ 16,747
Interest on participant loans	$ 2,401
Net appreciation in fair value of investments	$ 274,614

The Plan's investments include several mutual funds managed by Oppenheimer Funds, Inc., the parent company of the trustee, OFI Trust Company. A brief description of each of the Plan's investment funds follows:

Oppenheimer Cash Reserves Fund - This fund invests in a variety of money market instruments, which are short-term debt obligations that may have fixed, variable or floating interest rates. The goal of the fund is to maximize current income that is consistent with the stability of principal.

Oppenheimer Global Fund - This fund invests in common stocks, primarily in mid- and large-cap companies, from both US and foreign sources. The goal of the fund is capital appreciation.

American Funds EuroPacific Growth Fund - This fund invests mainly in equity-type securities of issuers located in Europe and the Pacific Basin that the investment advisor believes have the potential for above-average capital appreciation.

Black Rock Global Allocation Fund - The investment seeks to provide high total investment return. The fund invests in domestic and foreign equities, debt securities and money market instruments; the combination of which may vary based on market and economic conditions.

Davis NY Venture Fund - This fund invests mainly in equity securities of large capitalization U.S. companies, although it has the flexibility to invest in companies of any size. The goal of the fund is long-term growth of capital.

Eaton Vance Stock Fund - The investment seeks total return by investing at least 80 percent of assets in dividend-paying stocks of large-cap companies. The fund may invest up to 25 percent of total assets in foreign securities.

Federated Total Return Bond Fund - The investment seeks to provide total return by investing primarily in a diversified portfolio of investment grade fixed-income securities, including mortgage-backed securities, corporate debt securities and U.S. government obligations.

Fidelity Advisor Small Cap Fund - This fund normally invests at least 80 percent of assets in equity securities issued by companies that have market capitalizations that fall within the range of the Russell 2000 index or the S&P SmallCap 600 index. The investment seeks long-term growth of capital and may invest in both domestic and foreign issuers.

Franklin Income Fund - This fund normally invests in a diversified portfolio of debt and equity securities. The fund may invest in corporate, foreign and U.S. Treasury bonds, as well as stocks with attractive dividend yields. The goal of this fund is to maximize income while maintaining prospects for capital appreciation.

Main Stay Large Cap Growth Fund - This fund seeks long-term growth of capital by investing in companies that have the potential for above-average future earnings growth. The fund invests at least 80 percent of assets in large-capitalization companies and may also invest in foreign securities.

PIMCO Real Return Fund - This fund invests mainly in inflation-index bonds of varying maturities issued by the U.S. and non-U.S. governments, their agencies or instrumentalities, and corporations. The goal of the fund is to maximum real return, consistent with preservation of capital.

Victory Special Value Fund - The investment seeks long-term growth of capital and dividend income and invests primarily in equity securities of companies with market capitalizations within the range of companies comprising the Russell Mid Cap (R) index.

5. FAIR VALUE MEASUREMENTS

The Financial Statement Accounting Board Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosures*, establishes the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009 and 2008.

Mutual funds - Investments in mutual funds are stated at quoted market prices which represent the net asset value of shares held by the Plan at year end. For the year ended December 31, 2009, net appreciation in fair value of investments of $274,614 resulted from investments in mutual funds.

Participant loans - Participant loans are valued at amortized cost, which approximates fair value.

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

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009 and 2008:

	Assets at Fair Value as of December 31, 2009			
	Level 1	Level 2	Level 3	Total
Mutual funds	$ 1,575,685	$ 0	$ 0	$ 1,575,685
Participant loans	0	0	10,202	10,202
Total assets at fair value	$ 1,575,685	$ 0	$ 10,202	$ 1,585,887

	Assets at Fair Value as of December 31, 2008			
	Level 1	Level 2	Level 3	Total
Mutual funds	$ 1,178,082	$ 0	$ 0	$ 1,178,082
Participant loans	0	0	17,254	17,254
Total assets at fair value	$ 1,178,082	$ 0	$ 17,254	$ 1,195,336

The change in the fair value of participant loans, a level 3 asset, from $17,254 as of December 31, 2008 to $10,202 as of December 31, 2009 resulted from loan issuances net of loan repayments.

6. SUBSEQUENT EVENT

Effective in January 2010, the Biomed Healthcare Inc. 401(k) Profit Sharing Plan & Trust (see Note 1) was merged into the Plan. The transfer of the proceeds from the sale of the Biomed plan's investments, participant loans and underlying participant individual accounts took place during January 2010 and trailing dividends were transferred during July 2010.

ALLION HEALTHCARE 401(k) PLAN

SCHEDULE H - Line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2009

EIN - 11-2962027 PLAN NO.-001

	(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
		Mutual funds			
*		Oppenheimer Funds, Inc.	Cash Reserve Fund	N/A	$ 268,392
*		Oppenheimer Funds, Inc.	Global Fund	N/A	79,762
		American Funds	EuroPacific Growth Fund	N/A	266,553
		Black Rock Funds	Global Allocation Fund	N/A	1,472
		Davis Funds	New York Venture Fund	N/A	77,578
		Eaton Vance Funds	Stock Fund	N/A	159,959
		Federated Funds	Total Return Bond Fund	N/A	88,252
		Fidelity Advisor Funds	Small Cap Fund	N/A	118,094
		Franklin Funds	Income Fund	N/A	31,966
		Main Stay Funds	Large Cap Growth Fund	N/A	190,870
		PIMCO Funds	Real Return Fund	N/A	216,276
		Victory Funds	Special Value Fund	N/A	76,511
		Total mutual funds			1,575,685
		Participant loans			
		Participant loans	4.25 percent to 9.25 percent	$0	10,202
		Total investments			$ 1,585,887

* An asterisk indicates a party-in-interest. OFI Trust Company, the trustee of the Plan, is a subsidiary of Oppenheimer Funds, Inc.

Attachment to 2009 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name ALLION HEALTHCARE 401(K) PLAN **EIN:** 11-2962027
Plan Sponsor's Name Allion Healthcare **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	AMERICAN FUNDS	EUROPACIFIC GROWTH R4		266,553
	EATON VANCE	STOCK FUND		159,959
	FRANKLIN	INCOME FUND		31,966
	FIDELITY ADVISOR	SMALL CAP		118,094
	BLACK ROCK	GLOBAL ALLOCATION		1,472
	MAIN STAY	LARGE CAP GROWTH		190,870
*	OPPENHEIMER	CASH RESERVES		268,392

Attachment to 2009 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name _____ **EIN:** _____
Plan Sponsor's Name _____ **PN:** _____

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
*	OPPENHEIMER	GLOBAL		79,762
	PIMCO	REAL RETURN BOND		216,276
	VICTORY	SPECIAL VALUE		76,511
	FEDERATED	TOTAL RETURN BOND		88,252
	Participant Loans	4.25 to 9.25 percent		10,202
	DAVIS	NY VENTURE		77,578