# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

**2009**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

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

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

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

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

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

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
TOPIDERM, INC 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 002

**1c** Effective date of plan 01/01/1993

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

5200 NEW HORIZONS BLVD
NO AMITYVILLE, NY 11701

**2b** Employer Identification Number (EIN) 11-2567974

**2c** Sponsor's telephone number 631-226-7979

**2d** Business code (see instructions) 325410

**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 | BURT SHAFFER |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/14/2010 | BURT SHAFFER |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | Filed with incorrect/unrecognized electronic signature. | 10/14/2010 | SHELDON R SACKSTEIN |
| | **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")
TOPIDERM, INC

5200 NEW HORIZONS BLVD
NO AMITYVILLE, NY 11701

**3b** Administrator's EIN
11-2567974

**3c** Administrator's telephone number
631-226-7979

**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** | 147 |
| **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** | 156 |
| **b** | Retired or separated participants receiving benefits | **6b** | 0 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 11 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 167 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 167 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 58 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | |
| **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:
3H 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)** | X | Insurance |
| **(2)** | | Code section 412(e)(3) insurance contracts |
| **(3)** | X | Trust |
| **(4)** | | General assets of the sponsor |

**9b** Plan benefit arrangement (check all that apply)

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

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

**a Pension Schedules**

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

**b General Schedules**

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

# SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Insurance Information

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

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

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

OMB No. 1210-0110

**2009**

**This Form is Open to Public Inspection**

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

**A** Name of plan
TOPIDERM, INC 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500.
TOPIDERM, INC

**D** Employer Identification Number (EIN)
11-2567974

**Part I** **Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

**1** Coverage Information:

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

| (b) EIN | (c) NAIC code | (d) Contract or identification number | (e) Approximate number of persons covered at end of policy or contract year | Policy or contract year | |
|---|---|---|---|---|---|
| | | | | (f) From | (g) To |
| 71-0294708 | 86509 | GHO557 | 58 | 01/01/2009 | 12/31/2009 |

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

| (a) Total amount of commissions paid | (b) Total amount of fees paid |
|---|---|
| 8371 | |

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

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid
LPL FINANANCIAL CORP.
PO BOX 509026
SAN DIEGO, CA 92150

| (b) Amount of sales and base commissions paid | Fees and other commissions paid | | |
|---|---|---|---|
| | (c) Amount | (d) Purpose | (e) Organization code |
| 8371 | | | 3 |

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

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

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

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

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

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

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

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

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

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

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

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

## Part II Investment and Annuity Contract Information

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

| | | | |
|---|---|---|---|
| 4 | Current value of plan's interest under this contract in the general account at year end | 4 | 207636 |
| 5 | Current value of plan's interest under this contract in separate accounts at year end | 5 | 1053695 |

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

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

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

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

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

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ GROUP PENSION FUNDING

| | | | | | |
|---|---|---|---|---|---|
| b | Balance at the end of the previous year | | | 7b | 39656 |
| c | Additions: (1) Contributions deposited during the year | 7c(1) | 162647 | | |
| | (2) Dividends and credits | 7c(2) | | | |
| | (3) Interest credited during the year | 7c(3) | 4828 | | |
| | (4) Transferred from separate account | 7c(4) | 501547 | | |
| | (5) Other (specify below) | 7c(5) | 212132 | | |
| | ▶ TRANFERRED FROM OTHER CARRIERS PARTICIPANT LOAN REPAYMENTS | | | | |
| | (6) Total additions | | | 7c(6) | 881154 |
| d | Total of balance and additions (add **b** and **c(6)**) | | | 7d | 920810 |
| e | Deductions: | | | | |
| | (1) Disbursed from fund to pay benefits or purchase annuities during year | 7e(1) | 153399 | | |
| | (2) Administration charge made by carrier | 7e(2) | | | |
| | (3) Transferred to separate account | 7e(3) | 524093 | | |
| | (4) Other (specify below) | 7e(4) | 33191 | | |
| | ▶ LOAN AND CONTRACT DISBURSEMENTS | | | | |
| | (5) Total deductions | | | 7e(5) | 710683 |
| f | Balance at the end of the current year (subtract **e(5)** from **d**) | | | 7f | 210127 |

## Part III Welfare Benefit Contract Information

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

**8** Benefit and contract type (check all applicable boxes)

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

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

Specify nature of costs ▶

## Part IV Provision of Information

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

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

# SCHEDULE 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
TOPIDERM, INC 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
TOPIDERM, INC

**D** Employer Identification Number (EIN)
11-2567974

## 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) | 1335 | 1467 |
| **(2)** Participant contributions | 1b(2) | 15256 | 15454 |
| **(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) | 15092 | 38328 |
| **(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) | 1035283 | 1053695 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | 210127 |
| **(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 | 1066966 | 1319071 |
| **Liabilities** | | | |
| **g** Benefit claims payable | 1g | | |
| **h** Operating payables | 1h | | |
| **i** Acquisition indebtedness | 1i | | |
| **j** Other liabilities | 1j | 3863 | 8311 |
| **k** Total liabilities (add all amounts in lines 1g through1j) | 1k | 3863 | 8311 |
| **Net Assets** | | | |
| **l** Net assets (subtract line 1k from line 1f) | 1l | 1063103 | 1310760 |

## 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) | 16253 | |
| **(B)** Participants | 2a(1)(B) | 163314 | |
| **(C)** Others (including rollovers) | 2a(1)(C) | 8218 | |
| **(2)** Noncash contributions | 2a(2) | | |
| **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 187785 |
| **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) | 851 | |
| **(F)** Other | 2b(1)(F) | | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 851 |
| **(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) | 414 | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 414 |
| **(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) | | |

| | | | (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) | | |
| | (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) | | 240508 |
| c | Other income | 2c | | |
| d | Total income. Add all **income** amounts in column (b) and enter total | 2d | | 429558 |
| | **Expenses** | | | |
| e | Benefit payment and payments to provide benefits: | | | |
| | (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 184398 | |
| | (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) | | 184398 |
| f | Corrective distributions (see instructions) | 2f | | 2485 |
| g | Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h | Interest expense | 2h | | |
| i | Administrative expenses: (1) Professional fees | 2i(1) | | |
| | (2) Contract administrator fees | 2i(2) | | |
| | (3) Investment advisory and management fees | 2i(3) | | |
| | (4) Other | 2i(4) | | |
| | (5) Total administrative expenses. Add lines 2i(1) through (4) | 2i(5) | | |
| j | Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 186883 |
| | **Net Income and Reconciliation** | | | |
| k | Net income (loss). Subtract line 2j from line 2d | 2k | | 242675 |
| 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: SACKSTEIN & COMPANY, LLP (2) EIN: 02-0616966

**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 | | 200000 |
| **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 | | X | |

**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
TOPIDERM, INC 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
TOPIDERM, INC

**D** Employer Identification Number (EIN)
11-2567974

## 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): _____ _____

**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** 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: 0.0% Investment-Grade Debt: 0.0% High-Yield Debt: 0.0% Real Estate: 0.0% Other: 0.0%

**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):

**TOPIDERM, INC. 401(k) PLAN**
December 31, 2009

Contents


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# *SACKSTEIN & COMPANY, LLP*

*CERTIFIED PUBLIC ACCOUNTANTS*
*945 Walt Whitman Road*
*Melville, New York 11747*
*631-385-1111*
*631-385-1159 (fax)*

*Members*
*American Institute of*
*Certified Public Accountants*
*New York State Society of*
*Certified Public Accountants*


To the Plan Administrator of
Topiderm, Inc. 401 (k) Plan
No. Amityville, New York

We were engaged to audit the accompanying statements of net assets available for benefits of Topiderm, Inc. 401(k) Plan as of December 31, 2009 and the related statement of changes in net assets available for benefits for the year ended December 31, 2009. These financial statements are the responsibility of the Plan's management.

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 which was certified by ING Life Insurance and Annuity Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. 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 December 31, 2009, and for the year ended December 31, 2009 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 taken as a whole. The form and content of the information included in the financial statements, other that that derived from the information certified by the trustee, have been audited by us in accordance with the 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.

October 12, 2010

*Sackstein & Company, LLP*

**TOPIDERM, INC. 401(k) PLAN**
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

| | *December 31,* | |
|---|---|---|
| | **2009** | **2008** |
| **ASSETS** | | |
| Value of Interest in Registered Investment Companies | $ 1,263,822 | $ 1,035,738 |
| Receivables: | | |
| Employer Contributions | 1,467 | 1,335 |
| Participant Contributions | 15,454 | 15,256 |
| Participant Loans | 38,328 | 15,092 |
| **Total Assets** | **1,319,071** | **1,067,421** |
| **LIABILITIES** | | |
| Other Liabilities | (8,311) | (3,863) |
| **Total Liabilities** | **(8,311)** | **(3,863)** |
| **NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE** | **$ 1,310,760** | **$ 1,063,558** |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | (2,491) | (455) |
| **NET ASSETS AVAILABLE FOR BENEFITS** | **$ 1,308,269** | **$ 1,063,103** |

See Notes to Financial Statements.

**TOPIDERM, INC. 401(k) PLAN**
**STATEMENT OF CHANGES IN NET ASSETS**
**AVAILABLE FOR BENEFITS**

*For the Year Ended December 31,2009*

| | | |
|---|---|---|
| **ADDITIONS** | | |
| Additions to net assets attributed to: | | |
| **Investment Income (loss):** | | |
| Net increase in fair value of investments | $ | 242,999 |
| Interest and Dividends | | 414 |
| | | **243,413** |
| **Less investment expenses** | | **0** |
| | | **243,413** |
| **Contributions:** | | |
| Participants | | 163,314 |
| Employer's | | 16,253 |
| Participant loan interest | | 851 |
| Participant loan principal payments | | 8,218 |
| | | **188,636** |
| **Total increase** | | **432,049** |
| **Deductions** | | |
| Deductions from net assets attributed to: | | |
| Benefits paid to participants | | 153,398 |
| Corrective distributions | | 2,485 |
| Employee loans | | 31,000 |
| **Total deductions** | | **186,883** |
| **Net increase** | | **245,166** |
| **NET ASSETS AVAILABLE FOR BENEFITS:** | | |
| **Beginning of year** | | **1,063,103** |
| **End of year** | **$** | **1,308,269** |

See Notes to Financial Statements.

**Note 1- Description of plan**

The following description of the Topiderm, Inc. 401(k) Plan ("Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

***General*** - The Plan is a defined contribution plan covering all full-time employees of Topiderm, Inc. who have one year of service, are age twenty-one or older, and have completed over 1,000 hours of service during the plan year. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

***Contributions*** – Each year, participants may contribute up to 25% of pretax annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions up to a maximum of $5,500 per year. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Participants direct the investment of their contributions into various investments options offered by the Plan. The Plan currently offers nineteen mutual funds and investment contracts with an insurance company as investment options for participants. The Company makes a matching contribution of 10% of the participant deferral to the Plan.

***Participant Accounts*** – Each participants account is credited with the participant's contribution and allocations of (a) the Company's contribution and, (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

***Vesting*** – Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based years of continuous service. A participant is 100% vested after five years of credited service.

***Participant Loans*** – Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account and bear interest at rates ranging from 5.25% to 7.5% which are commensurate with local prevailing rates as determined quarterly by the Plan administrator. Principal and interest is paid ratably through weekly payroll deductions.

***Payment of benefits*** – On termination of service due to death, disability, retirement or termination from service due to other reasons, a participant will receive the value of the vested interest in his or her account as a lump-sum payment.

***Forfeited Accounts*** – At December 31, 2009 and 2008, forfeited nonvested accounts totaled $ 703 and $ 410 respectively. These accounts will be used to reduce future employer contributions.

**Note 2 – Summary of Significant Accounting Policies**

***Estimates***

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

***Basis of Accounting***

As described in Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and SOP 94-4-1, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Guide and Defined-Contribution Health and Welfare and Pension Plans* (the FSP), investment contracts held by a defined-contribution plan are required to be reported at fair value. However, investment contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit–responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. As required by the FSP, the Statement of Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a fair value basis and adjusted to a contract value basis.

On January 1, 2009, the Plan adopted the accounting standard on accounting for uncertainty in income taxes, codified in Accounting Standards Codification ('"ASC") 740, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Plan may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses derecognition, classification, interest and penalties on income taxes, and accounting in interim periods.

Management evaluated the Plan's tax positions and concluded that the Plan had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. With few exceptions, the Plan is no longer subject to income tax examinations by U.S. federal, state or local tax authorities for years before 2006, which is the standard statute of limitations look-back period.

***Investment Valuation and Income Recognition***

The Plan's investments are stated at fair value. Quoted market prices are used to value investments. Shares of mutual funds are valued at the net asset value of shares held by the Plan at year-end. Participant loans are valued at their outstanding balances, which approximate fair value.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date

## Note 2 – Summary of Significant Accounting Policies (continued)

### *Payment of Benefits*

Benefits are recorded when paid.

### *Operating Expenses*

All expenses of maintaining the Plan have been paid by the Plan Sponsor.

### *Subsequent Events*

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

## Note 3- Fair Value Measurements

The Plan's investments are reported at fair value in the statement of net assets available for benefits. The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009:

| | | Fair Value Measurements at Reporting Date Using: | | |
|---|---|---|---|---|
| Description | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| **December 31, 2009** | | | | |
| Investment Contract with insurance company | $ 1,261,331 | $ - | $ - | $ 1,261,331 |
| Loans to participants | 38,328 | - | - | 38,328 |
| Total | $ 1,299,659 | $ - | $ - | $ 1,299,659 |
| **December 31, 2008** | | | | |
| Mutual Funds | $ 227,101 | $ 227,101 | $ - | $ - |
| Investment Contract with insurance company | 808,637 | - | - | 808,637 |
| Loans to participants | 15,092 | - | - | 15,092 |
| Total | $ 1,050,830 | $ 227,101 | $ - | $ 823,729 |

**Note 3- Fair Value Measurements (continued)**

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

| | Fair Value Measurements Using Significant Unobservable Inputs (Level 3) | | |
|---|---|---|---|
| | Investment Contract with Insurance Company | Loans to Participants | Total |
| Beginning Balance | $ 808,637 | $ 15,092 | $ 823,729 |
| Total realized/unrealized gains or losses included in changes in net assets | 242,999 | - | 242,999 |
| Purchases, issuances and settelements | | | |
| Transfers in and/or out of Level 3 | 209,695 | 23,236 | 232,931 |
| Ending Balance | $ 1,261,331 | $ 38,328 | $ 1,299,659 |

Ac

counting Standard Codification ("ASC") 820 previously referred to as ASC Statement of Financial Accounting Standards No. 157, Fair Value Measurements ("SFAS No. 157"), issued by the FASB. ASC defines 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. In determining fair value the Plan uses various methods including market, income and cost approaches. Based on these approaches, the Plan often utilize certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Corporation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques the Plan is required to provide the following information according to the fair value hierarchy.

The fair value hierarchy ranks the quality and reliability of the information used to determine fair value. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

*Level 1 Fair Value Measurements*

The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year-end.

*Level 2 Fair Value Measurements*

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

a. Quoted prices for similar assets or liabilities in active markets;

**Note 3- Fair Value Measurements (continued)**

b. Quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers (for example, some brokered markets), or in which little information is released publicly (for example, a principal-to principal market);

c. Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates);

d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

*Level 3 Fair Value Measurements*

The investment contract with an insurance company is not actively traded and significant other observable inputs are not available. Thus the fair value of the investment contract is arrived at by adjusting for deferred sales and surrender charges at year end.

A description of the valuation methodologies used for assets and liabilities measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

Mutual Funds: Valued at the Net Asset Value ("NAV") of shares held by the Plan at year-end.

Guaranteed Investment Contract: Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer

Participant Loans: Valued at amortized cost, which approximates fair value.

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

**Note 4 – Summary of Information Certified by Plan Trustee**

The following is a summary of the investment information as of December 31, 2009 and 2008, and for the year ended December 31, 2009, included throughout the Plan's financial statements and supplemental schedules, that was prepared by or derived from the information provided by the custodians and furnished to the Plan Administrator. The Plan Administrator has obtained certifications from the custodians that information provided to the Plan Administrator by the custodians related to the following investments is complete and accurate.

**Note 4 – Summary of Information Certified by Plan Trustee- (continued)**

Accordingly, as permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to information which appears throughout the financial statements and supplemental schedule related to the following investments:

| | December 31, | | | | |
|---|---|---|---|---|---|
| | 2009 | | 2008 | | |
| American Balanced Fund - R - 3 | $ 36,576 | | $ 16,299 | | |
| ING Fixed Account ** | 210,127 | * | 40,111 | | |
| ING Fidelity VIP Contrafund Port-Svc | 31,745 | | 14,822 | | |
| Vanguard VIF Diversified Value | 24,065 | | 8,838 | | |
| ING Oppenheimer Strat Inc Port-Init | 4,400 | | 3,096 | | |
| ING JP Morgan Mid Cap Val Port-Init | 16,913 | | 7,510 | | |
| ING Oppenheimer Global Portfolio-Int | 15,389 | | 6,853 | | |
| ING PIMCO Total Return Port-Init | 27,234 | | 17,684 | | |
| Ariel Appreciation Fund | 17,607 | | 4,320 | | |
| The Growth Fund of America-R3 | 52,936 | | 22,798 | | |
| EuroPacific Growth Fund-R3 | 95,750 | * | 44,366 | | |
| ING Marisco Growth Portfolio-CI S | 1,477 | | 363 | | |
| ING Money Market Fund- A Holding Account | 703 | | - | | |
| ING Solution 2015 Port-Adv Class | 32,134 | | 37,118 | | |
| ING Solution 2025 Portfolio-Adv | 197,732 | * | 146,247 | * | |
| ING Solution 2035 Portfolio-Adv | 215,932 | * | 178,914 | * | |
| ING Solution 2045 Portfolio -Adv | 216,917 | * | 124,628 | * | |
| ING Solution Income Portfolio-Adv | 36,504 | | 119,387 | * | |
| Baron Asset Fund | 2,588 | | 1,302 | | |
| Loomis Sayles SmallCap Value-Retail | 27,093 | | 13,981 | | |
| DWS-Technology Fund-A | - | | 3,829 | | |
| DWS-Balanced Fund-A | - | | 29,377 | | |
| DWS-High Income Fund-A | - | | 5,067 | | |
| DWS-Strategic Income Fund-A | - | | 3,186 | | |
| DWS-Stategic Government-A | - | | 584 | | |
| DWS-Global Opportunities-A | - | | 2,737 | | |
| DWS-Large Cap Value Fund-A | - | | 2,841 | | |
| DWS-High Retirement-A | - | | 9,004 | | |
| DWS-Dreman Small Cap Value-A | - | | 2,446 | | |
| DWS-Technology -B | - | | 8,599 | | |
| DWS-Balanced Fund-B | - | | 35,222 | | |
| DWS-High Income Fund-B | - | | 5,794 | | |

**Note 4 – Summary of Information Certified by Plan Trustee- (continued)**

| | December 31, | |
|---|---|---|
| | 2009 | 2008 |
| DWS-Strategic Income Fund-B | - | 7,683 |
| DWS-Strategic Government-B | - | 642 |
| DWS- Blue Chip-B | - | 107 |
| DWS-Global Opportunities-B | - | 4,098 |
| DWS-Large Cap Value Fund-B | - | 5,382 |
| DWS-High Retirement-B | - | 17,473 |
| DWS-Dreman Small Cap Value-B | - | 2,436 |
| DWS-Global Thematic-A | - | 3,219 |
| DWS-Short Duration Plus-A | - | 6,825 |
| DWS-Cash Investment Trust-A | - | 6,668 |
| DWS-Health Care-A | - | 693 |
| DWS-International-A | - | 3,266 |
| DWS-Mid Cap Growth-A | - | 6,030 |
| DWS-Core Plus Growth-A | - | 7,169 |
| DWS-Global Thematic-B | - | 5,063 |
| DWS-Short Duration Plus-B | - | 7,340 |
| DWS-Cash Investment Trust-B | - | 7,220 |
| DWS-Health Care-B | - | 1,576 |
| DWS-International-B | - | 3,666 |
| DWS-Life Compass 2015-B | - | 522 |
| DWS-Life Compass 2020-B | - | 522 |
| DWS-Mid Cap Growth-B | - | 8,419 |
| DWS-Capital Growth-B | - | 12,396 |
| | $ 1,263,822 | $ 1,035,738 |

* Investments that represent 5% or more of the Plan's net assets are separately identifi
** This ING Fixed Account investment was certified at contract value.

ING and DWS Scudder also certified to the completeness and accuracy of $242,999 net increase in fair value of investments and $414 of interest, dividends and other income for the year ended December 31, 2009.

## Note 5 – Investment Contract with Insurance Company

In 2006 the Plan entered into a benefit-responsive investment contract with ING Life Insurance and Annuity Company (ING). ING maintains the contributions in a general account. The account is credited with the earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the financial statements at contract value as reported to the Plan by ING. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the transfer of all or a portion of their investment at contract value.

As described in Note 2, because the investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the investment contract.

Contract value, as reported to the Plan by ING, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the contract at December 31, 2009 and 2008 was $1,263,822 and $1,035,738 respectively. The original contract crediting interest rate is based on a formula agreed upon with the issuer, but may not be less than 1.5%. The interest rate for the first two quarters of 2009 was reset to 2.15%, and for the second two quarters at 3.25%. The rate is reviewed on a quarterly basis for resetting.

Certain events limit the Plan's ability to transact at contract value with ING. Such events include the following: (a) amendments to the plan documents (including partial plan termination or merger with another plan), (b) changes in the plan's prohibition on competing investment options or deletion of equity wash provisions, (c) bankruptcy of the plan sponsor or other plan sponsor events that cause a significant withdrawal from the plan, or (d) the failure of the trust to qualify for exemption from federal income taxes or any prohibited transaction exemption under the Employee Retirement Income Security Act of 1974. The plan administrator does not believe that any events that would limit the Plan's ability to transact at contract value with the Plan participants are probable of occurring.

## Note 6 – Related Party Transactions

There were no related party transactions.

## Note 7 – Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

## Note 8 – Tax Status

The Internal Revenue Service has determined and informed the Company by letter dated May 6, 2002, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the plan has been amended since receiving the determination letter, the Plan administrator and the Plan's pension administration consultants believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

## Note 9 – Risks and Uncertainties

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

## Note 10 - Reconciliation of Financial Statements to Form 5500

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

| | | |
|---|---|---|
| Net assets available for plan benefits per the financial statements | $ | 1,308,269 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contract | | 2,491 |
| Net assets available for plan benefits per Form 5500 | $ | 1,310,760 |

The 2009 Form 5500 was prepared on contract value basis.

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

| | | |
|---|---|---|
| Net increase in assets available for plan benefits per the financial statements | $ | 245,166 |
| Less: Adjustment from fair value to contract value for fully benefit-responsive investment contract | | (2,491) |
| Net increase in assets available for plan benefits per Form 5500 | $ | 242,675 |

# *SACKSTEIN & COMPANY, LLP*

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*Certified Public Accountants*
*New York State Society of*
*Certified Public Accountants*


To the Plan Administrator of
Topiderm, Inc. 401 (k) Plan
No. Amityville, New York

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

October 12, 2010

*Sackstein & Company,LLP*

**TOPIDERM, INC. 401 (k) Plan**
**Schedule of Assets Held for Investment Purposes at End of the Year**

*December 31, 2009*

| (a) | (a) Identity of issue, borrower or similar party | (b) Description of investment, including maturity date, rate of interest, collateral, par or maturity value | (c) Face Value or Number of shares/units | (d) Current Value |
|---|---|---|---|---|
| | American Balanced Fund - R - 3 | ING-Units of participation | 3,440.7925 | $ 36,576 |
| | ING Fixed Account | ING-Units of participation | 18,284.7089 | 210,127 |
| | ING Fidelity VIP Contrafund Port-Svc | ING-Units of participation | 9,625.3174 | 31,745 |
| | Vanguard VIF Divirsified Value | ING-Units of participation | 2,271.3015 | 24,065 |
| | ING Oppenheimer Strat Inc Port-Init | ING-Units of participation | 389.0309 | 4,400 |
| | ING JP Morgan Mid Cap Val Port-Init | ING-Units of participation | 1,538.7953 | 16,913 |
| | ING Oppenheimer Global Portfolio-Int | ING-Units of participation | 1,256.5855 | 15,389 |
| | ING PIMCO Total Return Port-Init | ING-Units of participation | 2,217.4454 | 27,234 |
| | Ariel Appreciation Fund | ING-Units of participation | 1,637.9155 | 17,607 |
| | The Growth Fund of America-R3 | ING-Units of participation | 4,643.6625 | 52,936 |
| | EuroPacific Growth Fund-R3 | ING-Units of participation | 6,437.4378 | 95,750 |
| | ING Marisco Growth Portfolio-CI S | ING-Units of participation | 149.9327 | 1,477 |
| | ING Money Market Fund - Holding Acct. | Money Market Fund | 63.5280 | 703 |
| | ING Solution 2015 Port-Adv Class | ING-Units of participation | 3,101.9910 | 32,134 |
| | ING Solution 2025 Portfolio-Adv | ING-Units of participation | 19,791.7894 | 197,732 |
| * | ING Solution 2035 Portfolio-Adv | ING-Units of participation | 21,482.9985 | 215,932 |
| | ING Solution 2045 Portfolio -Adv | ING-Units of participation | 21,632.7605 | 216,917 |
| * | ING Solution Income Portfolio-Adv | ING-Units of participation | 3,433.8783 | 36,504 |
| | Baron Asset Fund | ING-Units of participation | 219.8320 | 2,588 |
| | Loomis Sayles SmallCap Value-Retail | ING-Units of participation | 2,658.6540 | 27,093 |
| | | | | $ 1,263,822 |
| | Participant loans | | | $ 38,328 |

* - Party-in-interest
** - The above information, except for the value of ING Fixed Account (which was certified at contract value), has been certified by ING, custodians, as complete and accurate. The Trustee and Secretary of the plan sponsor are considered to be exempt parties in interest under the rules of ERISA.