

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
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ 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:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan CODONICS INC	1b Three-digit plan number (PN) ▶ 001
	1c Effective date of plan 01/01/1996
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) CODONICS INC 17991 ENGLEWOOD DR MIDDLEBURG HEIGHTS, OH 44130	2b Employer Identification Number (EIN) 34-1367048 2c Sponsor's telephone number 440-243-1198 2d Business code (see instructions) 334110

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.	10/15/2010	CODONICS INC
	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") CODONICS INC 17991 ENGLEWOOD DR MIDDLEBURG HEIGHTS, OH 44130	3b Administrator's EIN 34-1367048 3c Administrator's telephone number 440-243-1198
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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
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5 Total number of participants at the beginning of the plan year	5	229
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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	148
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	70
d Subtotal. Add lines 6a , 6b , and 6c	6d	218
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	218
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	212
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	10

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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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 2T 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) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☐ 0 **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☐ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan CODONICS INC	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 CODONICS INC	D Employer Identification Number (EIN) 34-1367048	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

MERRILL LYNCH, PIERCE, FENNER

4 WORLD FINANCIAL CENTER
250 VESEY STREET
NEW YORK, NY 10281

13-5674085

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
	BROKERAGE		Yes ☒ No ☐	Yes ☐ No ☒	28635	Yes ☐ No ☒

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MERRILL LYNCH, PIERCE, FENNER	52 59 63	28635

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
MERRILL LYNCH, PIERCE, FENNER 4 WORLD FINANCIAL CENTER 250 VESEY STREET NEW YORK, NY 10281 13-5674085	

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan CODONICS INC	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 CODONICS INC	D Employer Identification Number (EIN) 34-1367048	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	725306	1159942
(2) U.S. Government securities	1c(2)	0	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	
(B) All other	1c(3)(B)	0	
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	
(B) Common	1c(4)(B)	0	
(5) Partnership/joint venture interests	1c(5)	0	
(6) Real estate (other than employer real property)	1c(6)	0	
(7) Loans (other than to participants)	1c(7)	0	
(8) Participant loans	1c(8)	125581	152478
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	4893959	5381821
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	
(2) Employer real property	1d(2)	0	
e Buildings and other property used in plan operation	1e	0	
f Total assets (add all amounts in lines 1a through 1e)	1f	5744846	6694241

Liabilities

g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	0	
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	5744846	6694241
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Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	156479	
(B) Participants	2a(1)(B)	551547	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		708026

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	-7	
(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)	7935	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		7928

(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)	86254	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		86254

(3) Rents	2b(3)		
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(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)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		900205
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1702413

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	749586	
(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)		749586
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	1570	
(3) Investment advisory and management fees	2i(3)	1222	
(4) Other	2i(4)	640	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		3432
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		753018

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		949395
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

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

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

(1) Name: BOBER MARKEY FEDOROVICH AND CO

(2) EIN: 34-1523030

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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

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

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>CODONICS INC</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CODONICS INC</u>	D Employer Identification Number (EIN) <u>34-1367048</u>

Part I	Distributions
---------------	----------------------

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>16-1470238</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ 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

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

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

December 31, 2009 and 2008



CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST
ANNUAL REPORT INDEX
December 31, 2009 and 2008

The following financial statements and other information of the Codonics, Inc. 401(k) Profit Sharing Plan & Trust are included herewith:

- Statements of Net Assets Available for Benefits as of December 31, 2009 and 2008;
- Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2009 and 2008;
- Notes to Financial Statements.

The following supplemental schedule of the Codonics, Inc. 401(k) Profit Sharing Plan & Trust included in the Annual Report of the Plan on Form 5500 filed with the Department of Labor for the year ended December 31, 2009 is included herewith:

- Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

All other supplemental schedules and notes for which provision is made in the applicable rules and regulations of the Department of Labor are not required under the related instructions or are inapplicable and, therefore, have been omitted

CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST
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SUPPLEMENTAL SCHEDULE	
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CERTIFIED PUBLIC ACCOUNTANTS/BUSINESS ADVISORS
A PROFESSIONAL CORPORATION

INDEPENDENT AUDITORS' REPORT

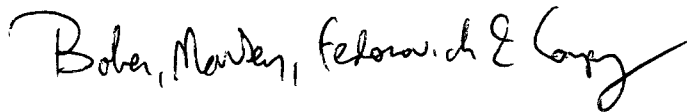
To the Plan Administrator
Codonics, Inc. 401(k) Profit Sharing Plan & Trust
Middleburg Heights, Ohio

We were engaged to audit the accompanying financial statements of the Codonics, Inc. 401(k) Profit Sharing Plan & Trust (the "Plan") as of December 31, 2009, and for the year then ended, and the supplementary schedule as of December 31, 2009, as listed in the accompanying index. These financial statements and supplemental 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 3, which was certified by Mid Atlantic 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 a certification from the Trustee as of December 31, 2009 and for the period from April 23, 2009 through 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 statement of net assets available for benefits as of December 31, 2009 and the statement of changes in net assets available for benefits for the year ended December 31, 2009 taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Trustee, has been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, is 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.

We have audited the accompanying statement of net assets available for benefits of the Codonics, Inc. 401(k) Profit Sharing Plan & Trust as of December 31, 2008, and the related statement of changes in net assets available for benefits for the year then ended, and in our report dated October 2, 2009, we expressed our opinion that such financial statements present fairly in all material respects, the financial status of the Codonics, Inc. 401(k) Profit Sharing Plan & Trust as of December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.



BOBER, MARKEY, FEDOROVICH & COMPANY

October 12, 2010

CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS.		
INVESTMENTS, AT FAIR VALUE		
Registered investment companies	\$ 5,381,822	\$ 4,893,959
Interest-bearing cash	1,159,942	725,306
Participant loans	<u>152,478</u>	<u>125,581</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 6,694,242</u>	<u>\$ 5,744,846</u>

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

CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income		
Dividend and interest income	\$ 86,247	\$ 16,661
Interest on participant loans	<u>7,935</u>	<u>7,338</u>
	94,182	23,999
Contributions		
Participants	551,547	644,601
Rollovers from participants	-	41,885
Employer	<u>156,479</u>	<u>306,311</u>
	708,026	992,797
TOTAL ADDITIONS	<u>802,208</u>	<u>1,016,796</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid	750,226	134,086
Miscellaneous expenses	<u>2,790</u>	<u>530</u>
TOTAL DEDUCTIONS	753,016	134,616
NET APPRECIATION (DEPRECIATION) OF INVESTMENTS	<u>900,204</u>	<u>(2,131,995)</u>
NET INCREASE (DECREASE)	949,396	(1,249,815)
NET ASSETS AVAILABLE FOR BENEFITS:		
BEGINNING OF YEAR	<u>5,744,846</u>	<u>6,994,661</u>
END OF YEAR	<u>\$ 6,694,242</u>	<u>\$ 5,744,846</u>

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

CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 1 – DESCRIPTION OF PLAN

The following description of the Codonics, Inc. 401(k) Profit Sharing Plan & Trust (the "Plan") is provided for general information purposes only. Participants should refer to the plan document for more complete information.

General

The Plan is a defined contribution plan covering all employees of Codonics, Inc. (the "Company") who are not covered by a collective bargaining agreement, have attained age 21 and completed 1,000 hours of service during the Plan year. The Plan was established January 1, 1996. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions

Participants may elect to contribute from 1% to 96% of compensation as a payroll deduction contribution on a pre-tax basis. In addition, the Plan contains a catch-up option for participants who have attained age 50 before the end of the plan year, permitting them to make additional elective deferral.

Participant contributions up to 3% of compensation were matched by the Company at rate of 100%. Effective July 1, 2009, the Plan was amended to cease matching contributions by the Company. The Company can also make a yearly discretionary contribution that is determined annually. Matching contributions totaled \$156,479 and \$306,311 for the years ended December 31, 2009 and 2008, respectively. There were no discretionary contributions made for the years ended December 31, 2009 and 2008. The contributions are subject to certain limitations.

Rollovers

Participant's may transfer eligible cash distributions from any other employer sponsored qualified plan under Section 401(a) or 403(a) of the Internal Revenue Code into the Plan by a direct transfer from such other plan. Additionally, the Plan will accept a direct rollover of an eligible rollover distribution from a qualified plan under Section 401(a) or 403(a) of the Internal Revenue Code or participant rollover contribution of the portion of a distribution from an Individual Retirement Account or Annuity under Section 408(a) or 408(b) that is eligible to be rolled over and would otherwise be includable in gross income.

Forfeitures

Effective November 2008, forfeited non-vested accounts are applied to reduce Plan expenses. Forfeitures of \$930 were applied to reduce Plan expenses during the year ended December 31, 2009.

Prior to November 2008, forfeited non-vested accounts were allocated back to qualifying participant's accounts based on the participant's compensation. Forfeitures of \$7,700 were allocated back to qualifying participant's accounts during the year ended December 31, 2008.

CODONICS, INC 401(k) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's matching contribution, the Company's discretionary contribution and an allocation of Plan earnings. Allocations are based on compensation or participant account balances, as defined in the Plan document. At their discretion, the participants may allocate the contributions among investment funds made available by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the remainder of their accounts is based on years of service with 20% vesting after 2 years of service and an additional 20% for each additional year until 100% vested at the end of 6 years of service.

Payment of Benefits

On termination of service, if a participant's account is less than \$1,000, the participant must receive a lump-sum amount equal to the value of his or her vested account balance. If the participant's account balance is between \$1,000 and \$5,000 and the method of distribution is not specified by the participant, an automatic rollover to an Individual Retirement Account is made. If the participant's account exceeds \$5,000, the terminated participant may elect to defer distribution until a later date (not later than their normal retirement date).

Participant Loans

The Plan allows for loans to participants from their individual account balances, limited to the lesser of \$50,000 or 50% of the vested interest. Loan terms shall not exceed 5 years, unless the loan was used for the purchase of a primary residence. Loans are secured by the balance in the participant's account and bear interest at rates prevailing (Prime rate) at the time the loans were made. Principal and interest is paid ratably through payroll deductions.

Administrative Expenses

Administrative expenses of the Plan are paid by the Company, except for the fees that are offset by forfeited non-vested accounts.

Plan Termination

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

CODONICS, INC 401(k) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

The accounting records of the Plan are prepared on the accrual basis of accounting

Use of Estimates

The preparation of the financial statements and footnote disclosures in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions to net assets available for benefits during the period. Although management believes such estimates and assumptions are reasonable, actual results could differ from those estimates.

Fair Value of Financial Instruments

Fair value estimates are made at a specific point in time based on relevant market information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

As required by the Fair Value Measurements and Disclosures Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), the Plan adopted the new standard related to financial assets and liabilities effective January 1, 2008. Effective January 1, 2009, the Plan also adopted amended disclosure enhancements. The adoption of this standard had no impact on the financial statements.

Investment Valuation

The Plan's investments are stated at fair value at December 31, 2009 and 2008. Investments in registered investment companies are valued at the net asset value of shares held by the Plan at year end. Interest-bearing cash is valued based on the underlying investments of the fund. Gains and losses on investments that were purchased, sold or held during the year are included in net appreciation (depreciation) in fair value. Participant loans are valued at their outstanding balances, which approximate fair value.

Income Recognition

Investment income consists of interest and dividend income. The net appreciation (depreciation) in the fair value of investments consists of realized gains or losses and the unrealized appreciation (depreciation) on those investments. Dividend income is accrued on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported based on historical cost.

CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

Benefit Payments

Benefits are recorded when paid.

Income Taxes

As required by the Income Taxes Topic of the FASB ASC, the Plan adopted the new standards related to Accounting for Uncertainty in Income Taxes, on January 1, 2009. The implementation of this new standard did not have a material impact on the Plan's financial statements.

Subsequent Events

Effective for fiscal years and interim periods ending after June 15, 2009, the Plan is required to prospectively adopt the Subsequent Events Topic of the FASB ASC. This standard sets forth the period after the date of the financial statements during which management of a plan should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which a plan should recognize events or transactions occurring after the date of its financial statements, and the disclosures that a plan should make about events or transactions that occurred after the date of the financial statements.

The Plan adopted this standard during the year ended December 31, 2009. In accordance with this standard, the Plan has evaluated subsequent events through October 12, 2010, the date the financial statements were available to be issued.

New Accounting Standards and Interpretations

In 2010, the FASB amended the Fair Value Measurements and Disclosures Topic of the FASB ASC to require additional disclosures about: 1) transfers of Level 1 and Level 2 fair value measurements, including the reason for the transfers; 2) purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements; 3) additional disaggregation to include fair value measurement disclosures for each class of assets and liabilities; and 4) disclosure of inputs and valuation techniques used to measure fair value of both recurring and nonrecurring fair value measurements. The amendment is effective for fiscal year beginning after December 15, 2009, except for the disclosures about the purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements, which is effective for fiscal years beginning after December 15, 2010.

CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 3 – SUMMARY OF FINANCIAL DATA CERTIFIED BY TRUSTEE (UNAUDITED)

The following is a summary of the unaudited information regarding the Plan, included in the Plan's financial statements, which was prepared by Mid Atlantic Trust Company ("Trustee"), as of December 31, 2009 and for the period from April 23, 2009 through December 31, 2009 and furnished to the Plan Administrator. The Plan's Administrator has obtained a certification from the Trustee that such information is complete and accurate.

Registered investment companies	\$ 5,381,822
Interest-bearing cash	\$ 1,159,942
Dividend and interest income	\$ 73,945
Net appreciation of investments	\$ 1,035,985

NOTE 4 – INVESTMENTS

The Plan's investments are participant-directed accounts invested in cash equivalents and investments in registered investment companies held by the custodian, Merrill Lynch ("ML").

Investments that represent five percent or more of the Plan's net assets are as follows:

	December 31,	
	2009	2008
Allianz NFJ Small Cap Value Fund	\$ 479,508	\$ -
Blackrock Basic Value Fund	\$ -	\$ 651,690
Blackrock Bond Fund	\$ -	\$ 520,912
Blackrock Fundamental Growth Fund	\$ -	\$ 807,460
Blackrock Global Allocation Fund	\$ 1,056,438	\$ 1,078,715
Blackrock International Fund	\$ -	\$ 309,384
Blackrock Large Cap Value Fund	\$ -	\$ 337,131
Blackrock Value Opportunity Fund	\$ -	\$ 486,151
Federated Total Return Bond Fund	\$ 526,531	\$ -
Ivy Large Cap Growth Fund	\$ 1,019,109	\$ -
MFS Value Fund	\$ 1,084,587	\$ -
ML Ready Assets Trust	\$ 1,159,942	\$ 725,306

CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

The Plan's investments in registered investment companies, including investments bought, sold, as well as held during the year, appreciated (depreciated) in value by \$900,204 and \$(2,131,995) during 2009 and 2008, respectively

Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the Plan uses a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 – Observable inputs such as quoted prices in active markets;
- Level 2 – Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3 – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions

The classification of fair value measurements within the hierarchy is based upon the lowest level of input that is significant to the measurement. Valuation methodologies used for assets and liabilities measured at fair value are as follows:

- Registered investment companies: Valued at the closing price reported on the active market on which the individual securities are traded.
- Interest-bearing cash: Valued based on the underlying investments traded on the active market.
- 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 the 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.

In 2009, the Plan adopted amended FASB accounting guidance applicable to the Fair Value Measurements and Disclosures Topic of the FASB ASC. The guidance is to determine whether there has been a significant decrease in the volume and level of activity for an asset or liability when compared to normal market activity for such asset or liability (or similar assets and liabilities) and to identify circumstances that indicate a transaction with regards to such an asset or liability is not orderly. The guidance also expands the disclosures and requires that the major categories for debt and equity securities in the fair value table be determined on the basis of the nature and risks of the investments. There was no impact of the adoption to the statements of net assets available for benefits and the changes in net assets available for benefits.

CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of:

December 31, 2009				
	Level 1	Level 2	Level 3	Total
Registered investment companies				
Balanced	\$ 1,056,438	\$ -	\$ -	\$ 1,056,438
Fixed income	735,365	-	-	735,365
Equities	3,590,019	-	-	3,590,019
Interest-bearing cash	-	1,159,942	-	1,159,942
Participant loans	-	-	152,478	152,478
	<u>\$ 5,381,822</u>	<u>\$ 1,159,942</u>	<u>\$ 152,478</u>	<u>\$ 6,694,242</u>
December 31, 2008				
	Level 1	Level 2	Level 3	Total
Registered investment companies				
Fixed income	\$ 1,875,162	\$ -	\$ -	\$ 1,875,162
Equities	3,018,797	-	-	3,018,797
Interest-bearing cash	-	725,306	-	725,306
Participant loans	-	-	125,581	125,581
	<u>\$ 4,893,959</u>	<u>\$ 725,306</u>	<u>\$ 125,581</u>	<u>\$ 5,744,846</u>

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

	Participant Loans
Balance, beginning of year	\$ 125,581
Purchases, sales, issuances, and settlements, net	26,897
Balance, end of year	<u>\$ 152,478</u>

CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 5 – TAX STATUS OF THE PLAN

The Company adopted a prototype plan of Paychex Retirement Services. The Plan obtained its latest determination letter on November 26, 2001, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

NOTE 6 – PARTY-IN-INTEREST

Certain Plan investments are shares of registered investment companies managed by ML. ML is the custodian as defined by the Plan document and, therefore, these transactions are party-in-interest transactions. There are also indirect fees deducted directly from investment earnings of the Plan.

CODONICS, INC 401(k) PROFIT SHARING PLAN & TRUST
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EIN: 34-1367048
PLAN NO 001
December 31, 2009

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
	Allianz NFJ Small Cap Value Fund	Registered investment company	**	\$ 479,508
*	Blackrock Global Allocation Fund	Registered investment company	**	1,056,438
*	Blackrock GNMA A	Registered investment company	**	208,834
*	Blackrock International Opportunity Fund	Registered investment company	**	69,054
*	Blackrock Mid Cap Value Equity Port	Registered investment company	**	3,593
*	Blackrock US Opportunity Fund	Registered investment company	**	53,144
	DWS Dreman Small Cap Value Fund	Registered investment company	**	16,768
	Federated Total Return Bond Fund	Registered investment company	**	526,531
	Franklin Strategic Income Fund	Registered investment company	**	92,735
	Ivy Large Cap Growth Fund	Registered investment company	**	1,019,109
	MFS Value Fund	Registered investment company	**	1,084,587
	Pioneer Fund, Inc.	Registered investment company	**	225,134
	Thornburg International Value Fund	Registered investment company	**	324,481
	Van Kampen Small Gap Growth Fund	Registered investment company	**	200,256
	Victory Special Value Fund	Registered investment company	**	21,650
				<u>5,381,822</u>
*	ML Ready Assets Trust	0.05% Interest	**	1,159,942
		Loans receivable with repayment terms of 1-5 years and interest rates ranging from		
*	Participant Loans	4 25% to 9.25%	\$ -	<u>152,478</u>
				<u><u>\$ 6,694,242</u></u>

* Represents a party-in-interest, as defined by ERISA

** Information is not required for participant-directed investments pursuant to Form 5500 instructions.

CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

December 31, 2009 and 2008



CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST
ANNUAL REPORT INDEX
December 31, 2009 and 2008

The following financial statements and other information of the Codonics, Inc. 401(k) Profit Sharing Plan & Trust are included herewith:

- Statements of Net Assets Available for Benefits as of December 31, 2009 and 2008;
- Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2009 and 2008;
- Notes to Financial Statements.

The following supplemental schedule of the Codonics, Inc. 401(k) Profit Sharing Plan & Trust included in the Annual Report of the Plan on Form 5500 filed with the Department of Labor for the year ended December 31, 2009 is included herewith:

- Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

All other supplemental schedules and notes for which provision is made in the applicable rules and regulations of the Department of Labor are not required under the related instructions or are inapplicable and, therefore, have been omitted

CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST
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CERTIFIED PUBLIC ACCOUNTANTS/BUSINESS ADVISORS
A PROFESSIONAL CORPORATION

INDEPENDENT AUDITORS' REPORT

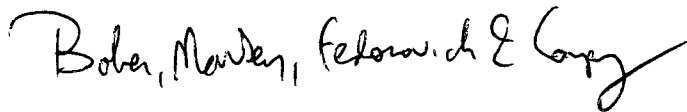
To the Plan Administrator
Codonics, Inc. 401(k) Profit Sharing Plan & Trust
Middleburg Heights, Ohio

We were engaged to audit the accompanying financial statements of the Codonics, Inc. 401(k) Profit Sharing Plan & Trust (the "Plan") as of December 31, 2009, and for the year then ended, and the supplementary schedule as of December 31, 2009, as listed in the accompanying index. These financial statements and supplemental 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 3, which was certified by Mid Atlantic 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 a certification from the Trustee as of December 31, 2009 and for the period from April 23, 2009 through 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 statement of net assets available for benefits as of December 31, 2009 and the statement of changes in net assets available for benefits for the year ended December 31, 2009 taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Trustee, has been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, is 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.

We have audited the accompanying statement of net assets available for benefits of the Codonics, Inc. 401(k) Profit Sharing Plan & Trust as of December 31, 2008, and the related statement of changes in net assets available for benefits for the year then ended, and in our report dated October 2, 2009, we expressed our opinion that such financial statements present fairly in all material respects, the financial status of the Codonics, Inc. 401(k) Profit Sharing Plan & Trust as of December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.



BOBER, MARKEY, FEDOROVICH & COMPANY

October 12, 2010

CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS.		
INVESTMENTS, AT FAIR VALUE		
Registered investment companies	\$ 5,381,822	\$ 4,893,959
Interest-bearing cash	1,159,942	725,306
Participant loans	<u>152,478</u>	<u>125,581</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 6,694,242</u>	<u>\$ 5,744,846</u>

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

CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income		
Dividend and interest income	\$ 86,247	\$ 16,661
Interest on participant loans	<u>7,935</u>	<u>7,338</u>
	94,182	23,999
Contributions		
Participants	551,547	644,601
Rollovers from participants	-	41,885
Employer	<u>156,479</u>	<u>306,311</u>
	708,026	992,797
TOTAL ADDITIONS	<u>802,208</u>	<u>1,016,796</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid	750,226	134,086
Miscellaneous expenses	<u>2,790</u>	<u>530</u>
TOTAL DEDUCTIONS	753,016	134,616
NET APPRECIATION (DEPRECIATION) OF INVESTMENTS	<u>900,204</u>	<u>(2,131,995)</u>
NET INCREASE (DECREASE)	949,396	(1,249,815)
NET ASSETS AVAILABLE FOR BENEFITS:		
BEGINNING OF YEAR	<u>5,744,846</u>	<u>6,994,661</u>
END OF YEAR	<u>\$ 6,694,242</u>	<u>\$ 5,744,846</u>

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

CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 1 – DESCRIPTION OF PLAN

The following description of the Codonics, Inc. 401(k) Profit Sharing Plan & Trust (the "Plan") is provided for general information purposes only. Participants should refer to the plan document for more complete information.

General

The Plan is a defined contribution plan covering all employees of Codonics, Inc. (the "Company") who are not covered by a collective bargaining agreement, have attained age 21 and completed 1,000 hours of service during the Plan year. The Plan was established January 1, 1996. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions

Participants may elect to contribute from 1% to 96% of compensation as a payroll deduction contribution on a pre-tax basis. In addition, the Plan contains a catch-up option for participants who have attained age 50 before the end of the plan year, permitting them to make additional elective deferral.

Participant contributions up to 3% of compensation were matched by the Company at rate of 100%. Effective July 1, 2009, the Plan was amended to cease matching contributions by the Company. The Company can also make a yearly discretionary contribution that is determined annually. Matching contributions totaled \$156,479 and \$306,311 for the years ended December 31, 2009 and 2008, respectively. There were no discretionary contributions made for the years ended December 31, 2009 and 2008. The contributions are subject to certain limitations.

Rollovers

Participant's may transfer eligible cash distributions from any other employer sponsored qualified plan under Section 401(a) or 403(a) of the Internal Revenue Code into the Plan by a direct transfer from such other plan. Additionally, the Plan will accept a direct rollover of an eligible rollover distribution from a qualified plan under Section 401(a) or 403(a) of the Internal Revenue Code or participant rollover contribution of the portion of a distribution from an Individual Retirement Account or Annuity under Section 408(a) or 408(b) that is eligible to be rolled over and would otherwise be includable in gross income.

Forfeitures

Effective November 2008, forfeited non-vested accounts are applied to reduce Plan expenses. Forfeitures of \$930 were applied to reduce Plan expenses during the year ended December 31, 2009.

Prior to November 2008, forfeited non-vested accounts were allocated back to qualifying participant's accounts based on the participant's compensation. Forfeitures of \$7,700 were allocated back to qualifying participant's accounts during the year ended December 31, 2008.

CODONICS, INC 401(k) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's matching contribution, the Company's discretionary contribution and an allocation of Plan earnings. Allocations are based on compensation or participant account balances, as defined in the Plan document. At their discretion, the participants may allocate the contributions among investment funds made available by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the remainder of their accounts is based on years of service with 20% vesting after 2 years of service and an additional 20% for each additional year until 100% vested at the end of 6 years of service.

Payment of Benefits

On termination of service, if a participant's account is less than \$1,000, the participant must receive a lump-sum amount equal to the value of his or her vested account balance. If the participant's account balance is between \$1,000 and \$5,000 and the method of distribution is not specified by the participant, an automatic rollover to an Individual Retirement Account is made. If the participant's account exceeds \$5,000, the terminated participant may elect to defer distribution until a later date (not later than their normal retirement date).

Participant Loans

The Plan allows for loans to participants from their individual account balances, limited to the lesser of \$50,000 or 50% of the vested interest. Loan terms shall not exceed 5 years, unless the loan was used for the purchase of a primary residence. Loans are secured by the balance in the participant's account and bear interest at rates prevailing (Prime rate) at the time the loans were made. Principal and interest is paid ratably through payroll deductions.

Administrative Expenses

Administrative expenses of the Plan are paid by the Company, except for the fees that are offset by forfeited non-vested accounts.

Plan Termination

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

CODONICS, INC 401(k) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

The accounting records of the Plan are prepared on the accrual basis of accounting

Use of Estimates

The preparation of the financial statements and footnote disclosures in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions to net assets available for benefits during the period. Although management believes such estimates and assumptions are reasonable, actual results could differ from those estimates.

Fair Value of Financial Instruments

Fair value estimates are made at a specific point in time based on relevant market information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

As required by the Fair Value Measurements and Disclosures Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), the Plan adopted the new standard related to financial assets and liabilities effective January 1, 2008. Effective January 1, 2009, the Plan also adopted amended disclosure enhancements. The adoption of this standard had no impact on the financial statements.

Investment Valuation

The Plan's investments are stated at fair value at December 31, 2009 and 2008. Investments in registered investment companies are valued at the net asset value of shares held by the Plan at year end. Interest-bearing cash is valued based on the underlying investments of the fund. Gains and losses on investments that were purchased, sold or held during the year are included in net appreciation (depreciation) in fair value. Participant loans are valued at their outstanding balances, which approximate fair value.

Income Recognition

Investment income consists of interest and dividend income. The net appreciation (depreciation) in the fair value of investments consists of realized gains or losses and the unrealized appreciation (depreciation) on those investments. Dividend income is accrued on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported based on historical cost.

CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

Benefit Payments

Benefits are recorded when paid.

Income Taxes

As required by the Income Taxes Topic of the FASB ASC, the Plan adopted the new standards related to Accounting for Uncertainty in Income Taxes, on January 1, 2009. The implementation of this new standard did not have a material impact on the Plan's financial statements.

Subsequent Events

Effective for fiscal years and interim periods ending after June 15, 2009, the Plan is required to prospectively adopt the Subsequent Events Topic of the FASB ASC. This standard sets forth the period after the date of the financial statements during which management of a plan should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which a plan should recognize events or transactions occurring after the date of its financial statements, and the disclosures that a plan should make about events or transactions that occurred after the date of the financial statements.

The Plan adopted this standard during the year ended December 31, 2009. In accordance with this standard, the Plan has evaluated subsequent events through October 12, 2010, the date the financial statements were available to be issued.

New Accounting Standards and Interpretations

In 2010, the FASB amended the Fair Value Measurements and Disclosures Topic of the FASB ASC to require additional disclosures about: 1) transfers of Level 1 and Level 2 fair value measurements, including the reason for the transfers; 2) purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements; 3) additional disaggregation to include fair value measurement disclosures for each class of assets and liabilities; and 4) disclosure of inputs and valuation techniques used to measure fair value of both recurring and nonrecurring fair value measurements. The amendment is effective for fiscal year beginning after December 15, 2009, except for the disclosures about the purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements, which is effective for fiscal years beginning after December 15, 2010.

CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 3 – SUMMARY OF FINANCIAL DATA CERTIFIED BY TRUSTEE (UNAUDITED)

The following is a summary of the unaudited information regarding the Plan, included in the Plan's financial statements, which was prepared by Mid Atlantic Trust Company ("Trustee"), as of December 31, 2009 and for the period from April 23, 2009 through December 31, 2009 and furnished to the Plan Administrator. The Plan's Administrator has obtained a certification from the Trustee that such information is complete and accurate.

Registered investment companies	\$ 5,381,822
Interest-bearing cash	\$ 1,159,942
Dividend and interest income	\$ 73,945
Net appreciation of investments	\$ 1,035,985

NOTE 4 – INVESTMENTS

The Plan's investments are participant-directed accounts invested in cash equivalents and investments in registered investment companies held by the custodian, Merrill Lynch ("ML").

Investments that represent five percent or more of the Plan's net assets are as follows:

	December 31,	
	2009	2008
Allianz NFJ Small Cap Value Fund	\$ 479,508	\$ -
Blackrock Basic Value Fund	\$ -	\$ 651,690
Blackrock Bond Fund	\$ -	\$ 520,912
Blackrock Fundamental Growth Fund	\$ -	\$ 807,460
Blackrock Global Allocation Fund	\$ 1,056,438	\$ 1,078,715
Blackrock International Fund	\$ -	\$ 309,384
Blackrock Large Cap Value Fund	\$ -	\$ 337,131
Blackrock Value Opportunity Fund	\$ -	\$ 486,151
Federated Total Return Bond Fund	\$ 526,531	\$ -
Ivy Large Cap Growth Fund	\$ 1,019,109	\$ -
MFS Value Fund	\$ 1,084,587	\$ -
ML Ready Assets Trust	\$ 1,159,942	\$ 725,306

CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

The Plan's investments in registered investment companies, including investments bought, sold, as well as held during the year, appreciated (depreciated) in value by \$900,204 and \$(2,131,995) during 2009 and 2008, respectively

Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the Plan uses a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 – Observable inputs such as quoted prices in active markets;
- Level 2 – Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3 – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions

The classification of fair value measurements within the hierarchy is based upon the lowest level of input that is significant to the measurement. Valuation methodologies used for assets and liabilities measured at fair value are as follows:

- Registered investment companies: Valued at the closing price reported on the active market on which the individual securities are traded.
- Interest-bearing cash: Valued based on the underlying investments traded on the active market.
- 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 the 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.

In 2009, the Plan adopted amended FASB accounting guidance applicable to the Fair Value Measurements and Disclosures Topic of the FASB ASC. The guidance is to determine whether there has been a significant decrease in the volume and level of activity for an asset or liability when compared to normal market activity for such asset or liability (or similar assets and liabilities) and to identify circumstances that indicate a transaction with regards to such an asset or liability is not orderly. The guidance also expands the disclosures and requires that the major categories for debt and equity securities in the fair value table be determined on the basis of the nature and risks of the investments. There was no impact of the adoption to the statements of net assets available for benefits and the changes in net assets available for benefits.

CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of:

December 31, 2009				
	Level 1	Level 2	Level 3	Total
Registered investment companies				
Balanced	\$ 1,056,438	\$ -	\$ -	\$ 1,056,438
Fixed income	735,365	-	-	735,365
Equities	3,590,019	-	-	3,590,019
Interest-bearing cash	-	1,159,942	-	1,159,942
Participant loans	-	-	152,478	152,478
	<u>\$ 5,381,822</u>	<u>\$ 1,159,942</u>	<u>\$ 152,478</u>	<u>\$ 6,694,242</u>
December 31, 2008				
	Level 1	Level 2	Level 3	Total
Registered investment companies				
Fixed income	\$ 1,875,162	\$ -	\$ -	\$ 1,875,162
Equities	3,018,797	-	-	3,018,797
Interest-bearing cash	-	725,306	-	725,306
Participant loans	-	-	125,581	125,581
	<u>\$ 4,893,959</u>	<u>\$ 725,306</u>	<u>\$ 125,581</u>	<u>\$ 5,744,846</u>

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

	Participant Loans
Balance, beginning of year	\$ 125,581
Purchases, sales, issuances, and settlements, net	26,897
Balance, end of year	<u>\$ 152,478</u>

CODONICS, INC. 401(k) PROFIT SHARING PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 5 – TAX STATUS OF THE PLAN

The Company adopted a prototype plan of Paychex Retirement Services. The Plan obtained its latest determination letter on November 26, 2001, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

NOTE 6 – PARTY-IN-INTEREST

Certain Plan investments are shares of registered investment companies managed by ML. ML is the custodian as defined by the Plan document and, therefore, these transactions are party-in-interest transactions. There are also indirect fees deducted directly from investment earnings of the Plan.

CODONICS, INC 401(k) PROFIT SHARING PLAN & TRUST
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EIN: 34-1367048
PLAN NO 001
December 31, 2009

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
	Allianz NFJ Small Cap Value Fund	Registered investment company	**	\$ 479,508
*	Blackrock Global Allocation Fund	Registered investment company	**	1,056,438
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*	ML Ready Assets Trust	0.05% Interest	**	1,159,942
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*	Participant Loans	4 25% to 9.25%	\$ -	<u>152,478</u>
				<u><u>\$ 6,694,242</u></u>

* Represents a party-in-interest, as defined by ERISA

** Information is not required for participant-directed investments pursuant to Form 5500 instructions.