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. . . . . ▶ [X]

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
OTIS SPUNKMEYER, INC. 401(K) RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 002

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.)
OTIS SPUNKMEYER, INC.

14490 CATALINA ST.
SAN LEANDRO, CA 94577

14490 CATALINA ST.
SAN LEANDRO, CA 94577

2b Employer Identification Number (EIN)
94-2536513

2c Sponsor's telephone number
510-667-3821

2d Business code (see instructions)
311800

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	STEPHEN RICKS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2010	AHMAD HAMADE
	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")
OTIS SPUNKMEYER, INC.

14490 CATALINA ST.
SAN LEANDRO, CA 94577

3b Administrator's EIN
94-2536513

3c Administrator's telephone number
510-667-3821

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**	1714
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**	1325
b	Retired or separated participants receiving benefits	**6b**	4
c	Other retired or separated participants entitled to future benefits	**6c**	197
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	1526
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	6
f	Total. Add lines **6d** and **6e**	**6f**	1532
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	757
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	22
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2K 2T 3D 3H

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**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
OTIS SPUNKMEYER, INC. 401(K) RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 002

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

D Employer Identification Number (EIN)
94-2536513

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

FID.INV.INST.OPS.CO.

04-2647786

(b) Enter name and EIN or address of person who provided you disclosure 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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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?
64 37 65 60	RECORDKEEPER	9075	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] 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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
ALL BERN SMMDCPVAL A - ALLIANCEBERN 13-3211780	0.25%	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
ALLNZ NFJ DIV VAL R - BOSTON FINANC 04-2526037	0.25%	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(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.	
AMCENT INFLADJBD ADV - AMERICAN CEN 44-0619208	0.25%	

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
DREYFUS S P 500 INDX - DREYFUS TRAN 13-5673135	0.15%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
HEARTLAND VAL PLS IV - ALPS FUND SE 20-3247785	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
JANUS BALANCED S - JANUS SERVICES L 43-1804048	0.25%

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
PIMCO TOTAL RETURN R - BOSTON FINAN 04-2526037	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
THORNBURG CORE GR R3 - BOSTON FINAN 04-2526037	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
TRP GROWTH STOCK R - T ROWE PRICE I 52-1184650	0.40%

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
VICTORY DIVERS STK A - BISYS FUND S 13-3532663	0.25%

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan 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
OTIS SPUNKMEYER, INC. 401(K) RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
OTIS SPUNKMEYER, INC.

D Employer Identification Number (EIN)
94-2536513

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: FA STABLE VALUE

b Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
04-3022712-026	C	3643298

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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b Name of plan sponsor	**c** EIN-PN

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b Name of plan sponsor	**c** EIN-PN

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b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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
OTIS SPUNKMEYER, INC. 401(K) RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 002

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

D Employer Identification Number (EIN)
94-2536513

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	0	7085
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)	548737	536385
(9) Value of interest in common/collective trusts	1c(9)	3309475	3643298
(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)	12224299	17704057
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	16082511	21890825
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	16082511	21890825

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)	928434	
	(B) Participants	2a(1)(B)	2310361	
	(C) Others (including rollovers)	2a(1)(C)	184476	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		3423271
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)	47315	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		47315
	(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)	315334	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		315334
	(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)		151791
	(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)		3617366
c	Other income	2c		
d	Total income. Add all **income** amounts in column (b) and enter total	2d		7555077
	Expenses			
e	Benefit payment and payments to provide benefits:			
	(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1630762	
	(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)		1630762
f	Corrective distributions (see instructions)	2f		100255
g	Certain deemed distributions of participant loans (see instructions)	2g		6473
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)	9273	
	(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		9273
j	Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1746763
	Net Income and Reconciliation			
k	Net income (loss). Subtract line 2j from line 2d	2k		5808314
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: SHEA LABAGH DOBERSTEIN **(2)** EIN: 94-2290202

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		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?	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
OTIS SPUNKMEYER, INC. 401(K) RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 002

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

D Employer Identification Number (EIN)
94-2536513

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** 0

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): 04-6568107

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

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

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

OTIS SPUNKMEYER, INC. 401(k) RETIREMENT PLAN

FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE

Year Ended December 31, 2009

OTIS SPUNKMEYER, INC. 401(k) RETIREMENT PLAN

Year Ended December 31, 2009

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SHEA LABAGH DOBBERSTEIN
Certified Public Accountants, Inc.

INDEPENDENT AUDITORS' REPORT

TO THE PLAN ADMINISTRATOR AND PARTICIPANTS
OF OTIS SPUNKMEYER, INC. 401(k) RETIREMENT PLAN

We were engaged to audit the accompanying statements of net assets available for benefits of OTIS SPUNKMEYER, INC. 401(k) RETIREMENT PLAN (the "Plan") as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009, and the supplemental schedule of Schedule H – Line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2009. 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 4, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of December 31, 2009 and 2008, 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 and supplemental schedule 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, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

SHEA LABAGH DOBBERSTEIN
Certified Public Accountants, Inc.

Shea Labagh Dobberstein

October 11, 2010

505 Montgomery Street, 5TH Floor • San Francisco, CA 94111 • Tel 415 397-4444 • Fax 415 981-0898
1700 S. El Camino Real, Suite 500 • San Mateo, CA 94402 • Tel 650 579-7200 • Fax 650 579-1041

OTIS SPUNKMEYER, INC. 401(k) RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2009	December 31, 2008
ASSETS		
INVESTMENTS		
Mutual Funds	$ 17,704,057	$ 12,224,300
Collective Trust Fund	3,643,298	3,309,475
Participant Loans	536,385	548,737
TOTAL INVESTMENTS	21,883,740	16,082,512
EMPLOYER CONTRIBUTIONS RECEIVABLE	7,085	-
TOTAL ASSETS	21,890,825	16,082,512
LIABILITIES		
LIABILITIES		
Excess Contributions Payable	-	158,821
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	21,890,825	15,923,691
ADJUSTMENT FROM FAIR VALUE TO CONTRACT VALUE FOR INTEREST IN COLLECTIVE TRUST RELATING TO FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACTS	4,767	90,757
NET ASSETS AVAILABLE FOR BENEFITS	$ 21,895,592	$ 16,014,448

See accompanying notes to financial statements.

OTIS SPUNKMEYER, INC. 401(k) RETIREMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year Ended December 31, 2009

ADDITIONS

ADDITIONS TO NET ASSETS ATTRIBUTED TO:	
INVESTMENT INCOME	
Net Appreciation in Fair Value of Investments	$ 3,642,264
Interest and Dividend Income	406,176
NET INVESTMENT INCOME	4,048,440
CONTRIBUTIONS	
Participants	2,310,361
Employer	928,434
Rollover	184,476
TOTAL CONTRIBUTIONS	3,423,271
TOTAL ADDITIONS	7,471,711

DEDUCTIONS

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:	
BENEFITS PAID TO PARTICIPANTS	1,581,294
ADMINISTRATIVE FEES	9,273
TOTAL DEDUCTIONS	1,590,567
NET INCREASE IN NET ASSETS	5,881,144
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	16,014,448
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 21,895,592

See accompanying notes to financial statements.

OTIS SPUNKMEYER, INC. 401(k) RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE 1 – DESCRIPTION OF THE PLAN

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

General – The Plan was established on January 1, 1996, and most recently amended and restated effective January 1, 2009, to provide retirement benefits for employees of Otis Spunkmeyer, Inc. (the "Company"). The Company amended the Plan to include a provision for Safe Harbor by providing a guaranteed match to avoid having to make refunds due to failure on certain non-discrimination tests.

The Plan is a defined contribution plan covering all eligible employees who have completed three months of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended, and certain provisions of the Internal Revenue Code ("IRC").

The Plan provides for a Plan administrator who is responsible for keeping accurate and complete records with regard to the Plan's operations, informing participants of changes or amendments to the Plan, ensuring that the Plan conforms to the law and to government regulations, and providing participants with any reports and documents required by law.

Participant Contributions – Participants may voluntarily contribute an amount up to 60% of pretax annual compensation as defined by the Plan agreement, up to a maximum of $16,500 for the year ended December 31, 2009. Participants may also make after-tax contributions subject to certain limitations. Participants 50 years of age or older may make an annual catch-up contribution of $5,500 for the year ended December 31, 2009. A participant may increase or decrease the amount of contributions at the beginning of each payroll period.

Employer Contributions – The Company matches participant contributions by contributing an amount equal to 50% of each participant's pretax contribution up to a maximum of 6% of the participant's eligible compensation.

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

NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Vesting – Participants are immediately vested in their voluntary contributions, their rollover contributions and actual earnings thereon. Participants also become fully vested if they are employed by the Company upon reaching 60 years of age. Vesting in the Company's matching contributions and related earnings thereon is in accordance with the following schedule:

Years of Service	Vested Percentage
Less than 1 year	0%
1	20%
2	40%
3	60%
4	80%
5	100%

Investment Options – Upon enrollment in the Plan, a participant may direct the investment of his or her account balance into the various investment funds offered under Fidelity Management Trust Company ("Fidelity"), the trustee of the Plan.

If a contribution is received by Fidelity for a participant's account and the participant has not supplied investment instructions to Fidelity, the contribution will be invested into the Fidelity Advisor Stable Value Fund.

Participant Loans – Participants may borrow from their vested account balances provided they meet the Plan's eligibility requirements. The minimum loan amount is $1,000 and the maximum loan amount is the lesser of one-half of the participant's vested account balance or $50,000. The duration of the loan is not to exceed five years, except for loans used to finance the purchase of a primary residence. The loans are secured by the balance in the participant's account and interest rates are based on the prevailing interest rates charged under similar circumstances, and remain fixed throughout the life of the loan. Principal and interest are paid ratably through payroll deductions and loans are due immediately upon termination of employment. As of December 31, 2009, interest rates on outstanding loans receivable ranged from 5.25% to 10.00%.

NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Payment of Benefits – Upon reaching 59½ years of age or upon termination of service due to death, disability, retirement, or termination of employment, a participant may elect to receive a distribution of benefits through a lump-sum cash payment or through a direct rollover to a qualified plan. Participants may also request distributions from their deferral contributions in the case of financial hardship, or from their vested employer contributions which have been in their account more than 24 months. Terminated participants with account balances over $5,000 may delay receipt of distributions. If the participant's account balance is between $1,000 and $5,000, and no distribution instructions have been received by such participant, the account may be rolled over into an individual retirement plan as determined by the Plan administrator.

Forfeited Accounts – The non-vested portion of a terminated participant's account balance is forfeited. Forfeited accounts are applied to pay administrative fees and to reduce future employer contributions under the Plan. As of December 31, 2009 and 2008, forfeited non-vested accounts amounted to $1,611 and $20,578, respectively. For the year ended December 31, 2009, employer contributions were reduced by $65,119 from forfeited non-vested accounts.

Administrative Expenses – Generally, administrative costs are paid for by the Company. Administrative fees on participant loans and distributions are charged to the individual participant's account requesting the transaction.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The Plan prepares its financial statements using the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Standards – On June 30, 2009, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles (as amended)*. This standard established the FASB Accounting Standards Codification (the "FASB ASC") as the single source of authoritative accounting principles generally accepted in the United States of America recognized by the FASB to be applied by nongovernmental entities. Substantially all previous United States generally accepted accounting principle standards issued by a standard setter are superseded and are codified into the FASB ASC. The FASB ASC is effective for financial statements issued for periods ending after September 15, 2009. Adoption of the FASB ASC had no impact on the Plan's statements of net asset available for benefits or changes in net assts available for benefits.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New Accounting Standards (Continued) – In May 2009, the FASB updated the FASB ASC *Subsequent Events* which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Plan has adopted this standard in 2009 and the Plan has evaluated subsequent events through October 11, 2010, the date the financial statements were available to be issued.

In September 2009, the FASB issued Accounting Standards Update ("ASU") No. 2009-12, *Fair Value Measurements and Disclosure* topic *Investment in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. This update provides guidance on estimating the fair value of an entity's investments in investment companies when the investment does not have a readily determinable fair value. It permits the use of the investment's net asset value as a practical expedient to determine fair value. This guidance is effective for periods ending after December 15, 2009. The adoption did not have a material impact on the Plan's financial statements and all applicable disclosures are included in these financial statements.

Use of Estimates – The preparation of financial statements in conformity 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, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results may differ from those estimates.

Investment Valuation and Income Recognition – Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation include the Plan's gains and losses on investments bought and sold as well as held during the year.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Valuation and Income Recognition (Continued) – The Plan invests in investment contracts through a collective trust. Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statements of Net Assets Available for Benefits present 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 contract value basis.

Payments of Benefits – Benefits are recorded when paid.

NOTE 3 – FAIR VALUE MEASUREMENTS

The *Fair Value Measurements and Disclosures* topic of the FASB ASC defines fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under this guideline are described as follows:

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

Level 2: Inputs to the valuation methodology include:

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

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

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

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

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

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

Mutual Funds: Valued at the net asset value of shares held by the Plan at year-end.

Collective Trust Fund: Valued at the net asset value of units held by the Plan at year-end.

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

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

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31:

	2009			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Blended Accounts	$ 5,736,822	$ -	$ -	$ 5,736,822
Growth Funds	3,600,522	-	-	3,600,522
Moderate Allocate Accounts	3,132,429	-	-	3,132,429
Bond Accounts	2,567,494	-	-	2,567,494
Value Accounts	2,017,329	-	-	2,017,329
Other	649,461	-	-	649,461
Total Mutual Fund Accounts	17,704,057	-	-	17,704,057
Collective Trust Fund	-	3,643,298	-	3,643,298
Participant Loans	-	-	536,385	536,385
Total Investments at Fair Value	$ 17,704,057	$ 3,643,298	$ 536,385	$ 21,883,740

	2008			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Blended Accounts	$ 4,104,260	$ -	$ -	$ 4,104,260
Growth Funds	2,287,101	-	-	2,287,101
Moderate Allocate Accounts	2,128,195	-	-	2,128,195
Bond Accounts	1,721,245	-	-	1,721,245
Value Accounts	1,688,391	-	-	1,688,391
Other	295,108	-	-	295,108
Total Mutual Fund Accounts	12,224,300	-	-	12,224,300
Collective Trust Fund	-	3,309,475	-	3,309,475
Participant Loans	-	-	548,737	548,737
Total Investments at Fair Value	$ 12,224,300	$ 3,309,475	$ 548,737	$ 16,082,512

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

Level 3 Gains and Losses

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

	Participant Loans
Balance, Beginning of Year	$ 548,737
Purchases, Sales, Issuances, and Settlements, Net	(12,352)
Balance, End of Year	$ 536,385

NOTE 4 – INFORMATION CERTIFIED BY THE TRUSTEE OF THE PLAN

The investment information as of December 31, 2009 and 2008, and for the year ended December 31, 2009, including investment assets, interest income, net appreciation in fair value of investments and the schedule of assets held at end of year included in the accompanying supplemental schedule, was obtained from data that has been certified by Fidelity, the trustee of the Plan, to be complete and accurate. All investments are in participant directed funds. Contributions are maintained in separate accounts, which are invested in various fund options as directed by each participant (see Note 1). The accounts are credited with contributions, actual earnings and unrealized appreciation on the investments and charged for Plan withdrawals and miscellaneous expenses and unrealized depreciation in the investments.

NOTE 4 – INFORMATION CERTIFIED BY THE TRUSTEE OF THE PLAN (Continued)

The following is a summary of the certified information prepared by Fidelity, furnished to the Plan administrator and included in the Plan's financial statements and supplemental schedule at December 31:

Description	2009	2008
Mutual Funds, at Fair Value:		
Dreyfus S&P 500 Index Fund	$ 1,155,069*	$ 880,642*
Janus Advisor Balanced Fund	-	1,268,856*
Victory Diversified Stock Fund	2,106,449*	1,648,739*
Alliance Bern Small Mid Cap Value Fund	134,457	69,368
PIMCO Total Return Fund	1,386,949*	1,226,580*
Heartland Value Plus Fund	412,582	302,447
Thornburg Core Growth Fund	334,892	136,208
T. Rowe Price Growth Stock Fund	1,353,304*	852,740*
Allianz NFJ Dividend Value Fund	1,470,291*	1,316,575*
American Century Inflation Adjustment Bond	47,288	-
Janus Balanced	1,646,289*	-
Fidelity Advisor High Income Advantage Fund	1,133,257*	494,665
Fidelity Advisor Value Strategy Fund	811,400	492,248
Fidelity Advisor Technology Fund	649,462	295,107
Fidelity Advisor Small Cap Fund	243,361	112,790
Fidelity Advisor Mid Cap Fund	380,850	199,803
Fidelity Advisor Diversified International Fund	1,420,542*	969,840*
Fidelity Advisor Freedom 2005 Fund	3,544	680
Fidelity Advisor Freedom 2010 Fund	61,224	38,118
Fidelity Advisor Freedom 2015 Fund	50,333	27,455
Fidelity Advisor Freedom 2020 Fund	617,125	352,697
Fidelity Advisor Freedom 2025 Fund	48,994	36,102
Fidelity Advisor Freedom 2030 Fund	356,991	215,326
Fidelity Advisor Freedom 2035 Fund	74,902	45,857
Fidelity Advisor Freedom 2040 Fund	136,682	66,292
Fidelity Advisor Freedom 2045 Fund	101,826	42,303
Fidelity Advisor Freedom 2050 Fund	22,748	8,809
Fidelity Advisor Freedom Inc. Fund	11,771	25,703
Fidelity Advisor New Insights Fund	1,531,475*	1,098,350*
Mutual Funds, at Fair Value (Subtotal)	17,704,057	12,224,300

NOTE 4 – INFORMATION CERTIFIED BY THE TRUSTEE OF THE PLAN (Continued)

Description	2009	2008
Mutual Funds, at Fair Value (Subtotal)	$ 17,704,057	$ 12,224,300
Collective Trust Fund:		
Fidelity Advisor Stable Value Fund**	3,643,298*	3,309,475*
Participant Loans	536,385	548,737
Investments at Fair Value	$ 21,883,740	$ 16,082,512

* *Represents investments that are 5% or greater of the Plan's net assets.*

** *For the years ended December 31, 2009 and 2008, contract value of $3,648,065 and $3,400,232, respectively, was certified by the trustee.*

The following is a summary of the certified information prepared by Fidelity for the year ended December 31, 2009:

Net Appreciation in Fair Value of Investments	$ 3,642,264
Interest and Dividend Income:	
Mutual Funds	$ 297,141
Collective Trust Fund	59,096
Participant Loans	49,939
	$ 406,176

NOTE 5 – TAX STATUS

The Company adopted a Prototype Plan which received a favorable opinion letter from the Internal Revenue Service ("IRS") on October 9, 2003, which stated that the Plan and related trust are designed in accordance with the applicable sections of the IRC. The Plan has not filed for a determination letter, however, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Accordingly, no provision for federal or state income taxes is reflected in the Plan's financial statements.

OTIS SPUNKMEYER, INC. 401(k) RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE 6 – RELATED PARTY TRANSACTIONS

Certain Plan investments are shares of mutual funds and a collective trust fund managed by Fidelity. Fidelity is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

NOTE 7 – PLAN TERMINATION

The Company has established the Plan with the expressed intention and expectation that it will continue the Plan. However, if circumstances make it impossible or inadvisable to continue the Plan, the Company reserves the right to terminate it at any time subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts. Benefits will be held in the trust fund which will remain in existence until the Company requests the discontinuance of the trust agreement.

NOTE 8 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of amounts presented in financial statements to Form 5500 as of and for the years ended December 31:

	2009	2008
a. Net Assets Available for Benefits Per the Financial Statements	$ 21,895,592	$ 16,014,448
Reconciling Items:		
Accrual of Excess Contributions Payable at December 31, Recorded on Financial Statements, not on Form 5500	-	158,821
Adjustment from Contract Value to Fair Value for Interest in Fully Benefit-Responsive Investment Contracts	(4,767)	(90,757)
Net Assets Available for Benefits Per Form 5500	$ 21,890,825	$ 16,082,512

NOTE 8 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 (Continued)

b. Net Increase in Net Assets Per the Financial Statements	$ 5,881,144
Reconciling Items:	
Excess Contributions Recorded on Form 5500 but Accrued in Prior Year Financial Statements	(158,821)
Net adjustment from Contract Value to Fair Value for Interest in Fully Benefit-Responsive Investment Contracts	85,990
Rounding Difference	1
Net Increase in Net Assets Per Form 5500	$ 5,808,314

NOTE 9 – RISKS AND UNCERTAINTIES

The Plan provides for various investment options in any combination from among the funds sponsored by Fidelity. Investment securities are exposed to various risks, such as interest rate, market fluctuations and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near term would materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

The underlying securities of the Plan's investments could include securities with contractual cash flows, such as, but not limited to, asset backed securities, collateralized mortgage obligations, and commercial mortgage backed securities and real estate. The value, liquidity and related income of these securities may be particularly sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by real or perceived difficulties of the issuers, changes in interest rates and conditions in financial markets.

NOTE 10 – EXCESS CONTRIBUTIONS PAYABLE

At December 31, 2008, a liability of $158,821 was recorded for amounts refundable by the Plan to participants for contributions made in excess of amounts allowed by the IRS. These have been refunded to the employees in 2009.

SUPPLEMENTAL SCHEDULE

OTIS SPUNKMEYER, INC. 401(k) RETIREMENT PLAN

SCHEDULE H – LINE 4i: SCHEDULE OF ASSETS (HELD AT END OF YEAR)

FEIN: 94-2536513

Plan Number: 002

December 31, 2009

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Shares or Par Value	(f) Current Value
Mutual Funds					
	Dreyfus Corporation	Dreyfus S&P 500 Index Fund	^	36,915	$ 1,155,069
	Victory Capital Management Inc.	Victory Diversified Stock Fund	^	150,676	2,106,449
	Alliance Capital Management LP	Alliance Bern Small Mid Cap Value Fund	^	9,625	134,457
	Pacific Investment Management Company	PIMCO Total Return Fund	^	128,421	1,386,949
	Heartland Advisors	Heartland Value Plus Fund	^	17,624	412,582
	Thornburg Asset Management	Thornburg Core Growth Fund	^	23,601	334,892
	T. Rowe Price Associates	T. Rowe Price Growth Stock Fund	^	49,919	1,353,304
	NFJ Investment Group	Allianz NFJ Dividend Value Fund	^	142,194	1,470,291
	American Century Investments	American Century Inflation Adjustment Bond	^	4,123	47,288
	Janus Capital Group	Janus Balanced	^	67,059	1,646,289
*	Fidelity Management Trust Company	Fidelity Advisor High Income Advantage Fund	^	125,638	1,133,257
*	Fidelity Management Trust Company	Fidelity Advisor Value Strategy Fund	^	40,877	811,400
*	Fidelity Management Trust Company	Fidelity Advisor Technology Fund	^	32,818	649,462
*	Fidelity Management Trust Company	Fidelity Advisor Small Cap Fund	^	11,027	243,361
*	Fidelity Management Trust Company	Fidelity Advisor Mid Cap Fund	^	23,567	380,850
*	Fidelity Management Trust Company	Fidelity Advisor Diversified International Fund	^	95,853	1,420,542
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2005 Fund	^	345	3,544
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2010 Fund	^	5,814	61,224
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2015 Fund	^	4,812	50,333
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2020 Fund	^	57,141	617,125
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2025 Fund	^	4,734	48,994
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2030 Fund	^	32,963	356,991
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2035 Fund	^	7,336	74,902
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2040 Fund	^	12,540	136,682
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2045 Fund	^	12,065	101,826
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2050 Fund	^	2,744	22,748
*	Fidelity Management Trust Company	Fidelity Advisor Freedom Inc. Fund	^	1,161	11,771
*	Fidelity Management Trust Company	Fidelity Advisor New Insights Fund	^	88,833	1,531,475
					17,704,057
Collective Trust Fund					
*	Fidelity Management Trust Company	Fidelity Advisor Stable Value Fund	^		3,643,298
Participant Loans					
*	Participant Loans	144 loans receivable bearing interest at 5.25% to 10.00% and maturing through January, 2015	-		536,385
					$ 21,883,740

* Denotes party-in-interest as defined by ERISA.

^ Column (d) Cost is omitted for participant directed investments.

OTIS SPUNKMEYER, INC. 401(k) RETIREMENT PLAN

FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE

Year Ended December 31, 2009

OTIS SPUNKMEYER, INC. 401(k) RETIREMENT PLAN

Year Ended December 31, 2009

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SHEA LABAGH DOBBERSTEIN
Certified Public Accountants, Inc.

INDEPENDENT AUDITORS' REPORT

TO THE PLAN ADMINISTRATOR AND PARTICIPANTS
OF OTIS SPUNKMEYER, INC. 401(k) RETIREMENT PLAN

We were engaged to audit the accompanying statements of net assets available for benefits of OTIS SPUNKMEYER, INC. 401(k) RETIREMENT PLAN (the "Plan") as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009, and the supplemental schedule of Schedule H – Line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2009. 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 4, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of December 31, 2009 and 2008, 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 and supplemental schedule 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, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

SHEA LABAGH DOBBERSTEIN
Certified Public Accountants, Inc.

Shea Labagh Dobberstein

October 11, 2010

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OTIS SPUNKMEYER, INC. 401(k) RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2009	December 31, 2008
ASSETS		
INVESTMENTS		
Mutual Funds	$ 17,704,057	$ 12,224,300
Collective Trust Fund	3,643,298	3,309,475
Participant Loans	536,385	548,737
TOTAL INVESTMENTS	21,883,740	16,082,512
EMPLOYER CONTRIBUTIONS RECEIVABLE	7,085	-
TOTAL ASSETS	21,890,825	16,082,512
LIABILITIES		
LIABILITIES		
Excess Contributions Payable	-	158,821
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	21,890,825	15,923,691
ADJUSTMENT FROM FAIR VALUE TO CONTRACT VALUE FOR INTEREST IN COLLECTIVE TRUST RELATING TO FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACTS	4,767	90,757
NET ASSETS AVAILABLE FOR BENEFITS	$ 21,895,592	$ 16,014,448

See accompanying notes to financial statements.

OTIS SPUNKMEYER, INC. 401(k) RETIREMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year Ended December 31, 2009

ADDITIONS

ADDITIONS TO NET ASSETS ATTRIBUTED TO:	
INVESTMENT INCOME	
Net Appreciation in Fair Value of Investments	$ 3,642,264
Interest and Dividend Income	406,176
NET INVESTMENT INCOME	4,048,440
CONTRIBUTIONS	
Participants	2,310,361
Employer	928,434
Rollover	184,476
TOTAL CONTRIBUTIONS	3,423,271
TOTAL ADDITIONS	7,471,711

DEDUCTIONS

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:	
BENEFITS PAID TO PARTICIPANTS	1,581,294
ADMINISTRATIVE FEES	9,273
TOTAL DEDUCTIONS	1,590,567
NET INCREASE IN NET ASSETS	5,881,144
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	16,014,448
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 21,895,592

See accompanying notes to financial statements.

OTIS SPUNKMEYER, INC. 401(k) RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE 1 – DESCRIPTION OF THE PLAN

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

General – The Plan was established on January 1, 1996, and most recently amended and restated effective January 1, 2009, to provide retirement benefits for employees of Otis Spunkmeyer, Inc. (the "Company"). The Company amended the Plan to include a provision for Safe Harbor by providing a guaranteed match to avoid having to make refunds due to failure on certain non-discrimination tests.

The Plan is a defined contribution plan covering all eligible employees who have completed three months of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended, and certain provisions of the Internal Revenue Code ("IRC").

The Plan provides for a Plan administrator who is responsible for keeping accurate and complete records with regard to the Plan's operations, informing participants of changes or amendments to the Plan, ensuring that the Plan conforms to the law and to government regulations, and providing participants with any reports and documents required by law.

Participant Contributions – Participants may voluntarily contribute an amount up to 60% of pretax annual compensation as defined by the Plan agreement, up to a maximum of $16,500 for the year ended December 31, 2009. Participants may also make after-tax contributions subject to certain limitations. Participants 50 years of age or older may make an annual catch-up contribution of $5,500 for the year ended December 31, 2009. A participant may increase or decrease the amount of contributions at the beginning of each payroll period.

Employer Contributions – The Company matches participant contributions by contributing an amount equal to 50% of each participant's pretax contribution up to a maximum of 6% of the participant's eligible compensation.

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

NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Vesting – Participants are immediately vested in their voluntary contributions, their rollover contributions and actual earnings thereon. Participants also become fully vested if they are employed by the Company upon reaching 60 years of age. Vesting in the Company's matching contributions and related earnings thereon is in accordance with the following schedule:

Years of Service	Vested Percentage
Less than 1 year	0%
1	20%
2	40%
3	60%
4	80%
5	100%

Investment Options – Upon enrollment in the Plan, a participant may direct the investment of his or her account balance into the various investment funds offered under Fidelity Management Trust Company ("Fidelity"), the trustee of the Plan.

If a contribution is received by Fidelity for a participant's account and the participant has not supplied investment instructions to Fidelity, the contribution will be invested into the Fidelity Advisor Stable Value Fund.

Participant Loans – Participants may borrow from their vested account balances provided they meet the Plan's eligibility requirements. The minimum loan amount is $1,000 and the maximum loan amount is the lesser of one-half of the participant's vested account balance or $50,000. The duration of the loan is not to exceed five years, except for loans used to finance the purchase of a primary residence. The loans are secured by the balance in the participant's account and interest rates are based on the prevailing interest rates charged under similar circumstances, and remain fixed throughout the life of the loan. Principal and interest are paid ratably through payroll deductions and loans are due immediately upon termination of employment. As of December 31, 2009, interest rates on outstanding loans receivable ranged from 5.25% to 10.00%.

NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Payment of Benefits – Upon reaching 59½ years of age or upon termination of service due to death, disability, retirement, or termination of employment, a participant may elect to receive a distribution of benefits through a lump-sum cash payment or through a direct rollover to a qualified plan. Participants may also request distributions from their deferral contributions in the case of financial hardship, or from their vested employer contributions which have been in their account more than 24 months. Terminated participants with account balances over $5,000 may delay receipt of distributions. If the participant's account balance is between $1,000 and $5,000, and no distribution instructions have been received by such participant, the account may be rolled over into an individual retirement plan as determined by the Plan administrator.

Forfeited Accounts – The non-vested portion of a terminated participant's account balance is forfeited. Forfeited accounts are applied to pay administrative fees and to reduce future employer contributions under the Plan. As of December 31, 2009 and 2008, forfeited non-vested accounts amounted to $1,611 and $20,578, respectively. For the year ended December 31, 2009, employer contributions were reduced by $65,119 from forfeited non-vested accounts.

Administrative Expenses – Generally, administrative costs are paid for by the Company. Administrative fees on participant loans and distributions are charged to the individual participant's account requesting the transaction.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The Plan prepares its financial statements using the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Standards – On June 30, 2009, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles (as amended)*. This standard established the FASB Accounting Standards Codification (the "FASB ASC") as the single source of authoritative accounting principles generally accepted in the United States of America recognized by the FASB to be applied by nongovernmental entities. Substantially all previous United States generally accepted accounting principle standards issued by a standard setter are superseded and are codified into the FASB ASC. The FASB ASC is effective for financial statements issued for periods ending after September 15, 2009. Adoption of the FASB ASC had no impact on the Plan's statements of net asset available for benefits or changes in net assts available for benefits.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New Accounting Standards (Continued) – In May 2009, the FASB updated the FASB ASC *Subsequent Events* which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Plan has adopted this standard in 2009 and the Plan has evaluated subsequent events through October 11, 2010, the date the financial statements were available to be issued.

In September 2009, the FASB issued Accounting Standards Update ("ASU") No. 2009-12, *Fair Value Measurements and Disclosure* topic *Investment in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. This update provides guidance on estimating the fair value of an entity's investments in investment companies when the investment does not have a readily determinable fair value. It permits the use of the investment's net asset value as a practical expedient to determine fair value. This guidance is effective for periods ending after December 15, 2009. The adoption did not have a material impact on the Plan's financial statements and all applicable disclosures are included in these financial statements.

Use of Estimates – The preparation of financial statements in conformity 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, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results may differ from those estimates.

Investment Valuation and Income Recognition – Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation include the Plan's gains and losses on investments bought and sold as well as held during the year.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Valuation and Income Recognition (Continued) – The Plan invests in investment contracts through a collective trust. Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statements of Net Assets Available for Benefits present 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 contract value basis.

Payments of Benefits – Benefits are recorded when paid.

NOTE 3 – FAIR VALUE MEASUREMENTS

The *Fair Value Measurements and Disclosures* topic of the FASB ASC defines fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under this guideline are described as follows:

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

Level 2: Inputs to the valuation methodology include:

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

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

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

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

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

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

Mutual Funds: Valued at the net asset value of shares held by the Plan at year-end.

Collective Trust Fund: Valued at the net asset value of units held by the Plan at year-end.

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

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

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31:

	2009			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Blended Accounts	$ 5,736,822	$ -	$ -	$ 5,736,822
Growth Funds	3,600,522	-	-	3,600,522
Moderate Allocate Accounts	3,132,429	-	-	3,132,429
Bond Accounts	2,567,494	-	-	2,567,494
Value Accounts	2,017,329	-	-	2,017,329
Other	649,461	-	-	649,461
Total Mutual Fund Accounts	17,704,057	-	-	17,704,057
Collective Trust Fund	-	3,643,298	-	3,643,298
Participant Loans	-	-	536,385	536,385
Total Investments at Fair Value	$ 17,704,057	$ 3,643,298	$ 536,385	$ 21,883,740

	2008			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Blended Accounts	$ 4,104,260	$ -	$ -	$ 4,104,260
Growth Funds	2,287,101	-	-	2,287,101
Moderate Allocate Accounts	2,128,195	-	-	2,128,195
Bond Accounts	1,721,245	-	-	1,721,245
Value Accounts	1,688,391	-	-	1,688,391
Other	295,108	-	-	295,108
Total Mutual Fund Accounts	12,224,300	-	-	12,224,300
Collective Trust Fund	-	3,309,475	-	3,309,475
Participant Loans	-	-	548,737	548,737
Total Investments at Fair Value	$ 12,224,300	$ 3,309,475	$ 548,737	$ 16,082,512

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

Level 3 Gains and Losses

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

	Participant Loans
Balance, Beginning of Year	$ 548,737
Purchases, Sales, Issuances, and Settlements, Net	(12,352)
Balance, End of Year	$ 536,385

NOTE 4 – INFORMATION CERTIFIED BY THE TRUSTEE OF THE PLAN

The investment information as of December 31, 2009 and 2008, and for the year ended December 31, 2009, including investment assets, interest income, net appreciation in fair value of investments and the schedule of assets held at end of year included in the accompanying supplemental schedule, was obtained from data that has been certified by Fidelity, the trustee of the Plan, to be complete and accurate. All investments are in participant directed funds. Contributions are maintained in separate accounts, which are invested in various fund options as directed by each participant (see Note 1). The accounts are credited with contributions, actual earnings and unrealized appreciation on the investments and charged for Plan withdrawals and miscellaneous expenses and unrealized depreciation in the investments.

NOTE 4 – INFORMATION CERTIFIED BY THE TRUSTEE OF THE PLAN (Continued)

The following is a summary of the certified information prepared by Fidelity, furnished to the Plan administrator and included in the Plan's financial statements and supplemental schedule at December 31:

Description	2009	2008
Mutual Funds, at Fair Value:		
Dreyfus S&P 500 Index Fund	$ 1,155,069*	$ 880,642*
Janus Advisor Balanced Fund	-	1,268,856*
Victory Diversified Stock Fund	2,106,449*	1,648,739*
Alliance Bern Small Mid Cap Value Fund	134,457	69,368
PIMCO Total Return Fund	1,386,949*	1,226,580*
Heartland Value Plus Fund	412,582	302,447
Thornburg Core Growth Fund	334,892	136,208
T. Rowe Price Growth Stock Fund	1,353,304*	852,740*
Allianz NFJ Dividend Value Fund	1,470,291*	1,316,575*
American Century Inflation Adjustment Bond	47,288	-
Janus Balanced	1,646,289*	-
Fidelity Advisor High Income Advantage Fund	1,133,257*	494,665
Fidelity Advisor Value Strategy Fund	811,400	492,248
Fidelity Advisor Technology Fund	649,462	295,107
Fidelity Advisor Small Cap Fund	243,361	112,790
Fidelity Advisor Mid Cap Fund	380,850	199,803
Fidelity Advisor Diversified International Fund	1,420,542*	969,840*
Fidelity Advisor Freedom 2005 Fund	3,544	680
Fidelity Advisor Freedom 2010 Fund	61,224	38,118
Fidelity Advisor Freedom 2015 Fund	50,333	27,455
Fidelity Advisor Freedom 2020 Fund	617,125	352,697
Fidelity Advisor Freedom 2025 Fund	48,994	36,102
Fidelity Advisor Freedom 2030 Fund	356,991	215,326
Fidelity Advisor Freedom 2035 Fund	74,902	45,857
Fidelity Advisor Freedom 2040 Fund	136,682	66,292
Fidelity Advisor Freedom 2045 Fund	101,826	42,303
Fidelity Advisor Freedom 2050 Fund	22,748	8,809
Fidelity Advisor Freedom Inc. Fund	11,771	25,703
Fidelity Advisor New Insights Fund	1,531,475*	1,098,350*
Mutual Funds, at Fair Value (Subtotal)	17,704,057	12,224,300

NOTE 4 – INFORMATION CERTIFIED BY THE TRUSTEE OF THE PLAN (Continued)

Description	2009	2008
Mutual Funds, at Fair Value (Subtotal)	$ 17,704,057	$ 12,224,300
Collective Trust Fund:		
Fidelity Advisor Stable Value Fund**	3,643,298*	3,309,475*
Participant Loans	536,385	548,737
Investments at Fair Value	$ 21,883,740	$ 16,082,512

* *Represents investments that are 5% or greater of the Plan's net assets.*

** *For the years ended December 31, 2009 and 2008, contract value of $3,648,065 and $3,400,232, respectively, was certified by the trustee.*

The following is a summary of the certified information prepared by Fidelity for the year ended December 31, 2009:

Net Appreciation in Fair Value of Investments	$ 3,642,264
Interest and Dividend Income:	
Mutual Funds	$ 297,141
Collective Trust Fund	59,096
Participant Loans	49,939
	$ 406,176

NOTE 5 – TAX STATUS

The Company adopted a Prototype Plan which received a favorable opinion letter from the Internal Revenue Service ("IRS") on October 9, 2003, which stated that the Plan and related trust are designed in accordance with the applicable sections of the IRC. The Plan has not filed for a determination letter, however, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Accordingly, no provision for federal or state income taxes is reflected in the Plan's financial statements.

OTIS SPUNKMEYER, INC. 401(k) RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

NOTE 6 – RELATED PARTY TRANSACTIONS

Certain Plan investments are shares of mutual funds and a collective trust fund managed by Fidelity. Fidelity is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

NOTE 7 – PLAN TERMINATION

The Company has established the Plan with the expressed intention and expectation that it will continue the Plan. However, if circumstances make it impossible or inadvisable to continue the Plan, the Company reserves the right to terminate it at any time subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts. Benefits will be held in the trust fund which will remain in existence until the Company requests the discontinuance of the trust agreement.

NOTE 8 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of amounts presented in financial statements to Form 5500 as of and for the years ended December 31:

	2009	2008
a. Net Assets Available for Benefits Per the Financial Statements	$ 21,895,592	$ 16,014,448
Reconciling Items:		
Accrual of Excess Contributions Payable at December 31, Recorded on Financial Statements, not on Form 5500	-	158,821
Adjustment from Contract Value to Fair Value for Interest in Fully Benefit-Responsive Investment Contracts	(4,767)	(90,757)
Net Assets Available for Benefits Per Form 5500	$ 21,890,825	$ 16,082,512

NOTE 8 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 (Continued)

b. Net Increase in Net Assets Per the Financial Statements	$ 5,881,144
Reconciling Items:	
Excess Contributions Recorded on Form 5500 but Accrued in Prior Year Financial Statements	(158,821)
Net adjustment from Contract Value to Fair Value for Interest in Fully Benefit-Responsive Investment Contracts	85,990
Rounding Difference	1
Net Increase in Net Assets Per Form 5500	$ 5,808,314

NOTE 9 – RISKS AND UNCERTAINTIES

The Plan provides for various investment options in any combination from among the funds sponsored by Fidelity. Investment securities are exposed to various risks, such as interest rate, market fluctuations and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near term would materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

The underlying securities of the Plan's investments could include securities with contractual cash flows, such as, but not limited to, asset backed securities, collateralized mortgage obligations, and commercial mortgage backed securities and real estate. The value, liquidity and related income of these securities may be particularly sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by real or perceived difficulties of the issuers, changes in interest rates and conditions in financial markets.

NOTE 10 – EXCESS CONTRIBUTIONS PAYABLE

At December 31, 2008, a liability of $158,821 was recorded for amounts refundable by the Plan to participants for contributions made in excess of amounts allowed by the IRS. These have been refunded to the employees in 2009.

SUPPLEMENTAL SCHEDULE

OTIS SPUNKMEYER, INC. 401(k) RETIREMENT PLAN

SCHEDULE H – LINE 4i: SCHEDULE OF ASSETS (HELD AT END OF YEAR)

FEIN: 94-2536513

Plan Number: 002

December 31, 2009

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Shares or Par Value	(f) Current Value
Mutual Funds					
	Dreyfus Corporation	Dreyfus S&P 500 Index Fund	^	36,915	$ 1,155,069
	Victory Capital Management Inc.	Victory Diversified Stock Fund	^	150,676	2,106,449
	Alliance Capital Management LP	Alliance Bern Small Mid Cap Value Fund	^	9,625	134,457
	Pacific Investment Management Company	PIMCO Total Return Fund	^	128,421	1,386,949
	Heartland Advisors	Heartland Value Plus Fund	^	17,624	412,582
	Thornburg Asset Management	Thornburg Core Growth Fund	^	23,601	334,892
	T. Rowe Price Associates	T. Rowe Price Growth Stock Fund	^	49,919	1,353,304
	NFJ Investment Group	Allianz NFJ Dividend Value Fund	^	142,194	1,470,291
	American Century Investments	American Century Inflation Adjustment Bond	^	4,123	47,288
	Janus Capital Group	Janus Balanced	^	67,059	1,646,289
*	Fidelity Management Trust Company	Fidelity Advisor High Income Advantage Fund	^	125,638	1,133,257
*	Fidelity Management Trust Company	Fidelity Advisor Value Strategy Fund	^	40,877	811,400
*	Fidelity Management Trust Company	Fidelity Advisor Technology Fund	^	32,818	649,462
*	Fidelity Management Trust Company	Fidelity Advisor Small Cap Fund	^	11,027	243,361
*	Fidelity Management Trust Company	Fidelity Advisor Mid Cap Fund	^	23,567	380,850
*	Fidelity Management Trust Company	Fidelity Advisor Diversified International Fund	^	95,853	1,420,542
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2005 Fund	^	345	3,544
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2010 Fund	^	5,814	61,224
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2015 Fund	^	4,812	50,333
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2020 Fund	^	57,141	617,125
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2025 Fund	^	4,734	48,994
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2030 Fund	^	32,963	356,991
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2035 Fund	^	7,336	74,902
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2040 Fund	^	12,540	136,682
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2045 Fund	^	12,065	101,826
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2050 Fund	^	2,744	22,748
*	Fidelity Management Trust Company	Fidelity Advisor Freedom Inc. Fund	^	1,161	11,771
*	Fidelity Management Trust Company	Fidelity Advisor New Insights Fund	^	88,833	1,531,475
					17,704,057
Collective Trust Fund					
*	Fidelity Management Trust Company	Fidelity Advisor Stable Value Fund	^		3,643,298
Participant Loans					
*	Participant Loans	144 loans receivable bearing interest at 5.25% to 10.00% and maturing through January, 2015	-		536,385
					$ 21,883,740

* Denotes party-in-interest as defined by ERISA.

^ Column (d) Cost is omitted for participant directed investments.