

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

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>BEACON ORTHOPAEDICS AND SPORTS MEDICINE, LTD. DEFINED BENEFIT PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>003</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/2002</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>003</u>	1c Effective date of plan <u>01/01/2002</u>	
1b Three-digit plan number (PN) ▶	<u>003</u>				
1c Effective date of plan <u>01/01/2002</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>BEACON ORTHOPAEDICS AND SPORTS MEDICINE, LTD. DEFINED BENEFIT PLAN</u> <u>500 E. BUSINESS WAY, SUITE A</u> <u>CINCINNATI, OH 45241</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>31-1483173</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>513-354-3700</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>621111</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>31-1483173</u>	2c Sponsor's telephone number <u>513-354-3700</u>	2d Business code (see instructions) <u>621111</u>	
2b Employer Identification Number (EIN) <u>31-1483173</u>					
2c Sponsor's telephone number <u>513-354-3700</u>					
2d Business code (see instructions) <u>621111</u>					

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.	01/17/2011	MARY ELLEN POPE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	01/17/2011	MARY ELLEN POPE
	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

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

Form 5500 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") BEACON ORTHOPAEDICS AND SPORTS MEDICINE, LTD. DEFINED BENEFIT PLAN 500 E. BUSINESS WAY, SUITE A CINCINNATI, OH 45241	3b Administrator's EIN 31-1483173
	3c Administrator's telephone number 513-354-3700

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	213
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	177
b Retired or separated participants receiving benefits.....	6b	23
c Other retired or separated participants entitled to future benefits.....	6c	0
d Subtotal. Add lines 6a , 6b , and 6c	6d	200
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	200
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	21

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1D 1G 3D

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

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

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

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

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

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

A Name of plan <u>BEACON ORTHOPAEDICS AND SPORTS MEDICINE, LTD. DEFINED BENEFIT PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>BEACON ORTHOPAEDICS AND SPORTS MEDICINE, LTD. DEFINED BENEFIT PLAN</u>	D Employer Identification Number (EIN) <u>31-1483173</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2009</u>	
2 Assets:	
a Market value	2a <u>1479498</u>
b Actuarial value	2b <u>1479498</u>
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>0</u> <u>0</u>
b For terminated vested participants	3b <u>24</u> <u>29654</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>1628123</u>
(2) Vested benefits	3c(2) <u>56710</u>
(3) Total active	3c(3) <u>179</u> <u>1684833</u>
d Total	3d <u>203</u> <u>1714487</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>8.15</u> %
6 Target normal cost	6 <u>313998</u>

Statement by Enrolled Actuary

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

SIGN HERE	
Signature of actuary <u>SALLY W. CUNI</u>	Date <u>08-02676</u>
Type or print name of actuary <u>CUNI, RUST AND STRENK, INC.</u>	Most recent enrollment number <u>513-891-0270</u>
Firm name <u>4540 COOPER ROAD, SUITE 304</u> <u>US CINCINNATI, OH 45242-5617</u>	Telephone number (including area code)
Address of the firm	

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

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

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	0	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8).....	0	0
10 Interest on item 9 using prior year's actual return of <u>-19.09</u> %		
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		28083
b Interest on (a) using prior year's effective rate of <u>5.82</u> %		1634
c Total available at beginning of current plan year to add to prefunding balance		29717
d Portion of (c) to be added to prefunding balance.....		0
12 Reduction in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	0	0

Part III Funding percentages		
14 Funding target attainment percentage.....	14	86.29 %
15 Adjusted funding target attainment percentage.....	15	86.29 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	102.35 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/01/2010	7784	0			
07/01/2010	393705	0			
			Totals ►	18(b)	401489
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	357087
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No	
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No	
c If 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

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

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 2
22 Weighted average retirement age				22 52
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	313998
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	132120	23530
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	337528
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35).....	36	337528
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	357087
38 Interest-adjusted excess contributions for current year (see instructions).....	38	19559
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

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 BEACON ORTHOPAEDICS AND SPORTS MEDICINE, LTD. DEFINED BENEFIT PLAN	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 BEACON ORTHOPAEDICS AND SPORTS MEDICINE, LTD. DEFINED BENEFIT PLAN	D Employer Identification Number (EIN) 31-1483173	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	424	847
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	353034	401489
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	4282	6461
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	80534	49488
(2) U.S. Government securities.....	1c(2)	128938	169678
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)	188142	389130
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	492617	894640
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	132739	210138
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	104109	51951

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	1484819	2173822

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	1484819	2173822
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	401489	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		401489
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	190	
(B) U.S. Government securities	2b(1)(B)	3143	
(C) Corporate debt instruments	2b(1)(C)	19576	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		22909
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	20439	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	3874	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		24313
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	215472	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	210654	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		4818

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	217885	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		217885
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		49189
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		720603

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	31585	
(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)		31585
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	15	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		15
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		31600

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		689003
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: WHITMER AND COMPANY

(2) EIN: 31-1223798

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		200000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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

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

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

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

A Name of plan <u>BEACON ORTHOPAEDICS AND SPORTS MEDICINE, LTD. DEFINED BENEFIT PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BEACON ORTHOPAEDICS AND SPORTS MEDICINE, LTD. DEFINED BENEFIT PLAN</u>	D Employer Identification Number (EIN) <u>31-1483173</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>31-1483173</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3 <u>23</u>

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

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	<u>401489</u>	
b Enter the amount contributed by the employer to the plan for this plan year	6b	<u>401489</u>	
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	<u>0</u>	
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☒ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☒ No	☐ N/A

Part III	Amendments
-----------------	-------------------

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Whitmer

& Company CPA'S, LLP

Fourth and Walnut Centre
105 East Fourth St., Suite 1100
Cincinnati, Ohio 45202-4011
Phone: (513) 381-8010
Fax: (513) 381-2601

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan
Cincinnati, Ohio

We were engaged to audit the statements of net assets available for benefits and the statement of accumulated plan benefits of Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan as of December 31, 2009 and 2008 and the accompanying statements of changes in net assets available for benefits, changes in accumulated plan benefits and supplementary schedules of assets held at the end of the year and assets acquired and disposed of within the year, for the year then ended. These financial statements and schedules are the responsibility of the Plan's management.

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

Because of the significance of the information that we did not audit, we are unable to and do not express an opinion on the accompanying financial statements and schedules taken as a whole. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.


Whitmer & Company CPA's, LLP
Cincinnati, Ohio

September 28, 2010

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

► File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

2009**This Form is Open to Public
Inspection**

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

► Round off amounts to nearest dollar.

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

A Name of plan Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan	B Three-digit plan number (PN) ► 003
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-EZ Beacon Orthopaedics & Sports Medicine, Ltd.	D Employer Identification Number (EIN) 31-1483173
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500	

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2009		
2 Assets:		
a Market value	2a	1,479,498
b Actuarial value	2b	1,479,498
3 Funding target/participant count breakdown		
(1) Number of participants		(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	0
b For terminated vested participants	3b	24
		29,654
c For active participants:		
(1) Non-vested benefits	3c(1)	1,628,123
(2) Vested benefits	3c(2)	56,710
(3) Total active	3c(3)	1,684,833
d Total	3d	203
		1,714,487
4 If the plan is at-risk, check the box and complete lines a and b ☐		
a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b	
5 Effective interest rate	5	8.15
6 Target normal cost	6	313,998

Statement by Enrolled Actuary

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

SIGN HERE	<i>SWC</i>	<i>09/09/2010</i>
Signature of actuary		Date
Sally W. Cuni		08-02676
Type or print name of actuary		Most recent enrollment number
Cuni, Rust & Strenk, Inc.		(513) 891-0270
Firm name		Telephone number (including area code)
4540 Cooper Road, Suite 304		
US Cincinnati OH 45242-5617		
Address of the firm		

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

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

Schedule SB (Form 5500) 2009
v.092308.1

2009 Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
Plan Name: Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan
EIN: 31-1483173
PN: 003

1. Interest Rates:

a. Spot Rates – November 2008 Yield Curve

i. Year 1	5.45%
ii. Year 2	6.83%
iii. Year 3	7.64%

Post-retirement Lump Sum Rate	5.00%
-------------------------------	-------

b. Present Value of Accumulated Benefits (FAS 35)	5.00%
--	-------

2. Mortality Rates:

Pre-retirement: None.

Post-retirement: Funding: 1994 Group Annuity Reserve Table
50% male/50% female

FAS 35: 1994 Group Annuity Reserve Table
50% male/50% female

3. <u>Salary Scale:</u>	0.00%.
-------------------------	--------

4. <u>Retirement Ages:</u>	Normal Retirement Age or Attained Age, if later.
----------------------------	--

2009 Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
Plan Name: Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan
EIN: 31-1483173
PN: 003

- | | |
|-------------------------------------|--|
| 5. <u>Termination Rates:</u> | None. |
| | |
| 6. <u>Disability Rates:</u> | None. |
| | |
| 7. <u>Plan Expenses:</u> | None. |
| | |
| 8. <u>Actuarial Cost Method:</u> | Unit Credit under PPA rules. |
| | |
| 9. <u>Asset Valuation Method:</u> | Market Value of all trust investments, plus any accrued contributions as of the Valuation Date. |
| | |
| 10. <u>Employee Data:</u> | An employee census was supplied by Tri-State Plan Administration, Inc. and included all employees in the Eligible Class. We did not audit the census. |
| | |
| 11. <u>Asset Data:</u> | Asset data and contribution amounts and dates were supplied by Tri-State Plan Administration, Inc. We did not audit the data. |
| | |
| 12. <u>Changes Since Last Year:</u> | The interest rates used to determine the Target Liability were changed from the tiered segment rates with transition of 5.72%, 5.92% and 6.09% to the full yield curve for the second month preceding the valuation date as indicated above and as permitted by IRS regulations. |

Plan: Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan

EIN: 31-1483173

PIN: 003

Attachment to Line 19 of the 2009 Schedule SB (Actuarial Certification)

Valuation Date 0.0815 Effective Discount Rate

1/1/2009 1.0815

0.924641701

Depost Date	Contribution	# Days	Discount Factor	Discounted Contributions
7/1/2010	7,784	546	0.889405989	6,923
7/1/2010	393,705	546	0.889405989	350,164
	401,489			357,087

2009 Schedule SB, Part V – Summary of Plan Provisions

Plan Name: Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan

EIN: 31-1483173

PN: 003

1. Effective Date: January 1, 2002.
2. Plan Year: January 1st through December 31st.
3. Eligibility: January 1st or July 1st following the attainment of age 21 and the completion of 1 year of service.
4. Average Compensation: Average of the three highest years' earnings.
5. Vesting Service: Years of Vesting Service are measured on the twelve-month period beginning with date of employment and on each subsequent anniversary of date of employment. Vesting Service equals the total number of twelve-month periods during which at least 1,000 Hours of Service are credited.
6. Benefit Service: One Year of Benefit Service is granted for at least 1,000 Hours of Service worked during the Plan Year.

2009 Schedule SB, Part V – Summary of Plan Provisions

Plan Name: Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan

EIN: 31-1483173

PN: 003

7. Normal Retirement:

a. Eligibility

The earlier of [1] the later of the Participant's 65th birthday and 5th anniversary of participation and [2] the later of the Participant's 52nd birthday and 10th anniversary of participation.

b. Monthly Benefit

Certain named Physicians: 2.5% of Average Compensation per year of Plan Service (maximum of 10 years). All other employees: 0.5% of Average Compensation per year of Plan Service (maximum of 10 years). Minimum benefit is \$40 per year of Plan Service (maximum of 10 years).

8. Early Retirement:

a. Eligibility

There is no Early Retirement Benefit under the Plan.

b. Monthly Benefit

N/A

9. Late Retirement:

a. Eligibility

Beyond Normal Retirement Age.

b. Monthly Benefit

Accrued Benefit as of the actual retirement date or the actuarial equivalent of the Normal Retirement Benefit, if greater.

2009 Schedule SB, Part V – Summary of Plan Provisions

Plan Name: Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan

EIN: 31-1483173

PN: 003

10. Vested Retirement:

- | | |
|--------------------|---|
| a. Eligibility | 2 Years of Vesting Service. Participants vest 20% after two Years of Service plus 20% each year thereafter to 100% after six Years of Service. |
| | |
| b. Monthly Benefit | Calculated as for Normal Retirement based on Benefit Service and Average Compensation as of date of separation, times the participant's vesting percentage. |

11. Disability Retirement:

- | | |
|--------------------|---|
| a. Eligibility | Total and permanent disability. |
| b. Monthly Benefit | Calculated as for Normal Retirement based on Benefit Service and Average Compensation as of date of separation, times the participant's vesting percentage. |

12. Pre-Retirement Death:

- | | |
|--------------------|---|
| a. Eligibility | A Participant with an Accrued Benefit. |
| b. Monthly Benefit | The Actuarial Present Value of the Participant's Accrued Benefit. |

2009 Schedule SB, Part V – Summary of Plan Provisions

Plan Name: Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan

EIN: 31-1483173

PN: 003

13. Payment Forms:

- | | |
|-------------|---|
| a. Normal | Life annuity for single participants and an Actuarially Equivalent 50% Joint & Survivor annuity for married participants. |
| b. Optional | Actuarially equivalent single premium, nontransferable annuity, periodic installment payments, or lump sum distribution. |

14. Actuarial Equivalency:

- | | |
|-------------------------|--|
| a. Other than Lump Sums | Pre-retirement: No mortality and 5.00% interest.
Post-retirement: 1994 Group Annuity Reserve Table, blended 50% male and 50% female and 5.00% interest. |
| b. Lump Sums | Pre-retirement: No mortality and interest rate determined under IRC Section 417(e).
Post-retirement: 1994 Group Annuity Reserve Table, blended 50% male and 50% female and interest rate determined under IRC section 417(e). |

15. Maximum Annual Benefit:

\$185,000 per year for participants retiring at age 62 and later during the 2008 Plan Year.

16. Changes Since Last Year:

None.

Development of Shortfall Amortization Charge

1. Spot Rates	
a. Year 1 Spot Rate	6.83%
b. Year 2 Spot Rate	7.64%
2. Funding Target	\$ 1,714,487
3. Adjusted Plan Assets	
a. Actuarial Value of Assets	\$ 1,479,498
b. Funding Standard Carryover Balance	0
c. Prefunding Balance	0
d. Adjusted Assets: [(a) - (b) - (c), but not less than \$0]	\$ 1,479,498
4. Funding Shortfall: [(2) - (3)(d), but not less than \$0]	\$ 234,989
5. Current Shortfall Amortization Installments	
a. Annual Installments	
i. 2007 Base (6 Years Remaining)	\$ 0
ii. 2006 Base (5 Years Remaining)	0
iii. 2005 Base (4 Years Remaining)	0
iv. 2004 Base (3 Years Remaining)	0
v. 2003 Base (2 Years Remaining)	0
vi. 2002 Base (1 Year Remaining)	0
vii. Total Annual Installments	\$ 0
b. Present Value of Installments to be made	
i. On January 1, 2008	\$ 0
ii. On January 1, 2009	0
iii. On January 1, 2010	0
iv. On January 1, 2011	0
v. On January 1, 2012	0
vi. On January 1, 2013	0
vii. Total Present Value of Annual Installments	\$ 0
6. Exemption from New Shortfall Amortization Base	
a. Target Liability Percentage	94.00%
b. Shortfall Funding Target: [(2) × (6)(a), not greater than (2)]	\$ 1,611,618
c. Prefunding Balance if used to reduce the Minimum Required Contribution	\$ 0
d. Exempt?: [Yes if {(3)(a) - (6)(c)} ≥ (6)(b)]	No
7. Shortfall Amortization Base	
a. Adjusted Funding Shortfall: [(6)(b) - (3)(d), not less than \$0]	\$ 132,120
b. New Current Year Base: [(a) - (5)(b)(vii), or \$0 if Exempt]	\$ 132,120
c. New 7-Year Installment Amount	\$ 23,530
8. Shortfall Amortization Charge: [(5)(a)(vii) + (7)(b), but not less than \$0]	\$ 23,530

Plan: Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan

EIN: 31-1483173

PIN: 003

Schedule SB, Line 26 - Active Participants as of January 1, 2009

Total Years of Service

Age Group	<u>< 1</u>	<u>1-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35 +</u>	<u>Total</u>
< 19	0	0	0	0	0	0	0	0	0	0
20-24	0	7	0	0	0	0	0	0	0	7
25-29	0	30	1	0	0	0	0	0	0	31
30-34	1	24	3	0	0	0	0	0	0	28
35-39	0	23	4	1	0	0	0	0	0	28
40-44	0	17	3	1	3	0	0	0	0	24
45-49	0	11	3	5	0	0	0	0	0	19
50-54	0	14	3	0	3	0	0	0	0	20
55-59	0	4	5	3	0	0	0	0	1	13
60-64	0	3	2	0	0	2	0	0	0	7
65-69	0	1	0	0	0	0	1	0	0	2
70 +	0	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1	134	24	10	6	2	1	0	1	179

Plan: Beacon Orthopaedics & Sports Medicine, LTD Defined Benefit Plan

EIN: 31-1483173

PIN: 003

Average Age: 40.1 years
Average Service: 4.4 years

2009 Schedule SB, line 22 -- Description of Weighted Average Retirement Age
Plan Name: Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan
EIN: 31-1483173
PN: 003

(A)	(B)	(C)	(D)	(E)
Retirement Age	Retirement Rates	Fraction Remaining	Probability Distribution	Sum Weighted Average Age
52	100.00%	0.00000	100.00%	52.00000

Weighted Average Retirement Age

52.0

The Retirement Rates (Column B) at each Early Retirement Age (Column A) are converted to a probability distribution (Column D). The products of Column A and Column D are summed to determine the resulting Weighted Average Retirement Age.

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**Single-Employer Defined Benefit Plan
Actuarial Information**This schedule is required to be filed under section 104 of the Employee
Retirement Income Security Act of 1974 (ERISA) and section 6059 of the
Internal Revenue Code (the Code).► **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2009**This Form is Open to Public
Inspection**For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009► **Round off amounts to nearest dollar.**► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan	B Three-digit plan number (PN) ► 003
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-EZ Beacon Orthopaedics & Sports Medicine, Ltd.	D Employer Identification Number (EIN) 31-1483173
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500	

Part I Basic Information

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2009</u>	
2 Assets:	
a Market value	2a 1,479,498
b Actuarial value	2b 1,479,498
3 Funding target/participant count breakdown	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a 0 0
b For terminated vested participants	3b 24 29,654
c For active participants:	
(1) Non-vested benefits	3c(1) 1,628,123
(2) Vested benefits	3c(2) 56,710
(3) Total active	3c(3) 179 1,684,833
d Total	3d 203 1,714,487
4 If the plan is at-risk, check the box and complete lines a and b	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 8.15
6 Target normal cost	6 313,998

Statement by Enrolled Actuary

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

SIGN HERE	<i>SWC</i>	<i>09/09/2010</i>
	Signature of actuary	Date
Sally W. Cuni		08-02676
	Type or print name of actuary	Most recent enrollment number
Cuni, Rust & Strenk, Inc.		(513) 891-0270
	Firm name	Telephone number (including area code)
4540 Cooper Road, Suite 304		
US Cincinnati	OH 45242-5617	
	Address of the firm	

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

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

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (item 13 from prior year)	0	0
8 Portion used to offset prior year's funding requirement (item 35 from prior year)	0	0
9 Amount remaining (item 7 minus item 8)	0	0
10 Interest on item 9 using prior year's actual return of <u>-19.09 %</u>	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (item 38 from prior year)		28,083
b Interest on (a) using prior year's effective rate of <u>5.82 %</u>		1,634
c Total available at beginning of current plan year to add to prefunding balance		29,717
d Portion of item (c) to be added to prefunding balance		0
12 Reduction in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	0	0

Part III Funding percentages

14 Funding target attainment percentage	14	86.29 %
15 Adjusted funding target attainment percentage	15	86.29 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	102.35 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/01/2010	7,784	0			
07/01/2010	393,705	0			
Totals ▶ 18(b)				401,489	18(c) 0

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

a Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	357,087

20 Quarterly contributions and liquidity shortfall(s):

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

Liquidity shortfall as of end of Quarter of this plan year

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

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

21 Discount rate: a Segment rates:	1st segment %	2nd segment %	3rd segment %	☒ N/A, full yield curve used
b Applicable month (enter code)	21b			2
22 Weighted average retirement age	22			52
23 Mortality table(s) (see instructions)	☒ Prescribed -- combined ☐ Prescribed -- separate ☐ Substitute			

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	313,998
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	132,120	23,530
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	337,528
35 Balances used to offset funding requirement	Carryover balance 0	Prefunding Balance 0
36 Additional cash requirement (item 34 minus item 35)	36	337,528
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (item 19c)	37	357,087
38 Interest-adjusted excess contributions for current year (see instructions)	38	19,559
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	
40 Unpaid minimum required contribution for all years	40	

2009 Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
Plan Name: Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan
EIN: 31-1483173
PN: 003

1. Interest Rates:

a. Spot Rates – November 2008 Yield Curve

i. Year 1	5.45%
ii. Year 2	6.83%
iii. Year 3	7.64%

Post-retirement Lump Sum Rate	5.00%
-------------------------------	-------

b. Present Value of Accumulated Benefits (FAS 35)	5.00%
--	-------

2. Mortality Rates:

Pre-retirement: None.

Post-retirement: Funding: 1994 Group Annuity Reserve Table
50% male/50% female

FAS 35: 1994 Group Annuity Reserve Table
50% male/50% female

3. <u>Salary Scale:</u>	0.00%.
-------------------------	--------

4. <u>Retirement Ages:</u>	Normal Retirement Age or Attained Age, if later.
----------------------------	--

2009 Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
Plan Name: Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan
EIN: 31-1483173
PN: 003

- | | |
|-------------------------------------|--|
| 5. <u>Termination Rates:</u> | None. |
| 6. <u>Disability Rates:</u> | None. |
| 7. <u>Plan Expenses:</u> | None. |
| 8. <u>Actuarial Cost Method:</u> | Unit Credit under PPA rules. |
| 9. <u>Asset Valuation Method:</u> | Market Value of all trust investments, plus any accrued contributions as of the Valuation Date. |
| 10. <u>Employee Data:</u> | An employee census was supplied by Tri-State Plan Administration, Inc. and included all employees in the Eligible Class. We did not audit the census. |
| 11. <u>Asset Data:</u> | Asset data and contribution amounts and dates were supplied by Tri-State Plan Administration, Inc. We did not audit the data. |
| 12. <u>Changes Since Last Year:</u> | The interest rates used to determine the Target Liability were changed from the tiered segment rates with transition of 5.72%, 5.92% and 6.09% to the full yield curve for the second month preceding the valuation date as indicated above and as permitted by IRS regulations. |

Plan: Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan
EIN: 31-1483173
PIN: 003

Attachment to Line 19 of the 2009 Schedule SB (Actuarial Certification)

Valuation Date 0.0815 Effective Discount Rate
1/1/2009 1.0815
0.924641701

Depost Date	Contribution	# Days	Discount Factor	Discounted Contributions
7/1/2010	7,784	546	0.889405989	6,923
7/1/2010	393,705	546	0.889405989	350,164
	401,489			357,087

2009 Schedule SB, Part V – Summary of Plan Provisions

Plan Name: Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan

EIN: 31-1483173

PN: 003

1. Effective Date: January 1, 2002.
2. Plan Year: January 1st through December 31st.
3. Eligibility: January 1st or July 1st following the attainment of age 21 and the completion of 1 year of service.
4. Average Compensation: Average of the three highest years' earnings.
5. Vesting Service: Years of Vesting Service are measured on the twelve-month period beginning with date of employment and on each subsequent anniversary of date of employment. Vesting Service equals the total number of twelve-month periods during which at least 1,000 Hours of Service are credited.
6. Benefit Service: One Year of Benefit Service is granted for at least 1,000 Hours of Service worked during the Plan Year.

2009 Schedule SB, Part V – Summary of Plan Provisions

Plan Name: Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan

EIN: 31-1483173

PN: 003

7. Normal Retirement:

a. Eligibility

The earlier of [1] the later of the Participant's 65th birthday and 5th anniversary of participation and [2] the later of the Participant's 52nd birthday and 10th anniversary of participation.

b. Monthly Benefit

Certain named Physicians: 2.5% of Average Compensation per year of Plan Service (maximum of 10 years). All other employees: 0.5% of Average Compensation per year of Plan Service (maximum of 10 years). Minimum benefit is \$40 per year of Plan Service (maximum of 10 years).

8. Early Retirement:

a. Eligibility

There is no Early Retirement Benefit under the Plan.

b. Monthly Benefit

N/A

9. Late Retirement:

a. Eligibility

Beyond Normal Retirement Age.

b. Monthly Benefit

Accrued Benefit as of the actual retirement date or the actuarial equivalent of the Normal Retirement Benefit, if greater.

2009 Schedule SB, Part V – Summary of Plan Provisions

Plan Name: Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan

EIN: 31-1483173

PN: 003

10. Vested Retirement:

- | | |
|--------------------|---|
| a. Eligibility | 2 Years of Vesting Service. Participants vest 20% after two Years of Service plus 20% each year thereafter to 100% after six Years of Service. |
| | |
| b. Monthly Benefit | Calculated as for Normal Retirement based on Benefit Service and Average Compensation as of date of separation, times the participant's vesting percentage. |

11. Disability Retirement:

- | | |
|--------------------|---|
| a. Eligibility | Total and permanent disability. |
| b. Monthly Benefit | Calculated as for Normal Retirement based on Benefit Service and Average Compensation as of date of separation, times the participant's vesting percentage. |

12. Pre-Retirement Death:

- | | |
|--------------------|---|
| a. Eligibility | A Participant with an Accrued Benefit. |
| b. Monthly Benefit | The Actuarial Present Value of the Participant's Accrued Benefit. |

2009 Schedule SB, Part V – Summary of Plan Provisions

Plan Name: Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan

EIN: 31-1483173

PN: 003

13. Payment Forms:

- | | |
|-------------|---|
| a. Normal | Life annuity for single participants and an Actuarially Equivalent 50% Joint & Survivor annuity for married participants. |
| b. Optional | Actuarially equivalent single premium, nontransferable annuity, periodic installment payments, or lump sum distribution. |

14. Actuarial Equivalency:

- | | |
|-------------------------|--|
| a. Other than Lump Sums | Pre-retirement: No mortality and 5.00% interest.
Post-retirement: 1994 Group Annuity Reserve Table, blended 50% male and 50% female and 5.00% interest. |
| b. Lump Sums | Pre-retirement: No mortality and interest rate determined under IRC Section 417(e).
Post-retirement: 1994 Group Annuity Reserve Table, blended 50% male and 50% female and interest rate determined under IRC section 417(e). |

15. Maximum Annual Benefit:

\$185,000 per year for participants retiring at age 62 and later during the 2008 Plan Year.

16. Changes Since Last Year:

None.

Schedule SB, Line 26 - Active Participants as of January 1, 2009

Total Years of Service

Age Group	<u>< 1</u>	<u>1-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35 +</u>	<u>Total</u>
< 19	0	0	0	0	0	0	0	0	0	0
20-24	0	7	0	0	0	0	0	0	0	7
25-29	0	30	1	0	0	0	0	0	0	31
30-34	1	24	3	0	0	0	0	0	0	28
35-39	0	23	4	1	0	0	0	0	0	28
40-44	0	17	3	1	3	0	0	0	0	24
45-49	0	11	3	5	0	0	0	0	0	19
50-54	0	14	3	0	3	0	0	0	0	20
55-59	0	4	5	3	0	0	0	0	1	13
60-64	0	3	2	0	0	2	0	0	0	7
65-69	0	1	0	0	0	0	1	0	0	2
70 +	0	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1	134	24	10	6	2	1	0	1	179

Plan: Beacon Orthopaedics & Sports Medicine, LTD Defined Benefit Plan
EIN: 31-1483173
PIN: 003

Average Age: 40.1 years
Average Service: 4.4 years

Development of Shortfall Amortization Charge

1. Spot Rates	
a. Year 1 Spot Rate	6.83%
b. Year 2 Spot Rate	7.64%
2. Funding Target	\$ 1,714,487
3. Adjusted Plan Assets	
a. Actuarial Value of Assets	\$ 1,479,498
b. Funding Standard Carryover Balance	0
c. Prefunding Balance	0
d. Adjusted Assets: [(a) - (b) - (c), but not less than \$0]	\$ 1,479,498
4. Funding Shortfall: [(2) - (3)(d), but not less than \$0]	\$ 234,989
5. Current Shortfall Amortization Installments	
a. Annual Installments	
i. 2007 Base (6 Years Remaining)	\$ 0
ii. 2006 Base (5 Years Remaining)	0
iii. 2005 Base (4 Years Remaining)	0
iv. 2004 Base (3 Years Remaining)	0
v. 2003 Base (2 Years Remaining)	0
vi. 2002 Base (1 Year Remaining)	0
vii. Total Annual Installments	\$ 0
b. Present Value of Installments to be made	
i. On January 1, 2008	\$ 0
ii. On January 1, 2009	0
iii. On January 1, 2010	0
iv. On January 1, 2011	0
v. On January 1, 2012	0
vi. On January 1, 2013	0
vii. Total Present Value of Annual Installments	\$ 0
6. Exemption from New Shortfall Amortization Base	
a. Target Liability Percentage	94.00%
b. Shortfall Funding Target: [(2) × (6)(a), not greater than (2)]	\$ 1,611,618
c. Prefunding Balance if used to reduce the Minimum Required Contribution	\$ 0
d. Exempt?: [Yes if {(3)(a) - (6)(c)} ≥ (6)(b)]	No
7. Shortfall Amortization Base	
a. Adjusted Funding Shortfall: [(6)(b) - (3)(d), not less than \$0]	\$ 132,120
b. New Current Year Base: [(a) - (5)(b)(vii), or \$0 if Exempt]	\$ 132,120
c. New 7-Year Installment Amount	\$ 23,530
8. Shortfall Amortization Charge: [(5)(a)(vii) + (7)(b), but not less than \$0]	\$ 23,530

Plan: Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan

EIN: 31-1483173

PIN: 003

2009 Schedule SB, line 22 -- Description of Weighted Average Retirement Age
Plan Name: Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan
EIN: 31-1483173
PN: 003

(A)	(B)	(C)	(D)	(E)
Retirement Age	Retirement Rates	Fraction Remaining	Probability Distribution	Sum Weighted Average Age
52	100.00%	0.00000	100.00%	52.00000

Weighted Average Retirement Age

52.0

The Retirement Rates (Column B) at each Early Retirement Age (Column A) are converted to a probability distribution (Column D). The products of Column A and Column D are summed to determine the resulting Weighted Average Retirement Age.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2009 AND 2008

ASSETS			
		<u>2009</u>	<u>2008</u>
Investments (Note G)			
Mutual funds	\$	210,138	\$ 114,569
Corporate stocks		894,640	492,617
Corporate bonds		389,130	188,142
Mortgage pools		51,951	104,109
U.S. Government securities		95,307	128,938
U.S. Treasuries		74,371	-
Other assets		-	18,170
Total Investments		<u>1,715,537</u>	<u>1,046,545</u>
Receivables			
Contribution receivable		401,587	353,234
Accrued investment income		<u>6,364</u>	<u>4,082</u>
Total Receivables		<u>407,951</u>	<u>357,316</u>
Cash & Cash Equivalents		<u>50,335</u>	<u>80,958</u>
Total Assets		2,173,823	1,484,819
LIABILITIES			
Total Liabilities		<u>-</u>	<u>-</u>
Net Assets Available for Benefits		<u>\$ 2,173,823</u>	<u>\$ 1,484,819</u>

See accompanying notes and auditors' report.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Additions to Net Assets		
Investment Income		
Interest	\$ 22,719	\$ 21,943
Dividends	24,503	22,814
Realized losses on investments	4,818	(42,553)
Net depreciation in fair value of investments	<u>267,232</u>	<u>(343,011)</u>
	319,272	(340,807)
Less investment expenses	<u>-</u>	<u>-</u>
Net Investment Income (Loss)	319,272	(340,807)
Employer Contribution	<u>401,490</u>	<u>353,033</u>
Total Additions to Net Assets	<u>720,762</u>	<u>12,226</u>
Deductions from Net Assets		
Benefits Paid to Participants	31,585	11,658
Fees	<u>173</u>	<u>10</u>
Total Deductions from Net Assets	<u>31,758</u>	<u>11,668</u>
Net Increase in Assets Available for Benefits	689,004	558
Net Assets Available for Benefits		
Beginning of Year	<u>1,484,819</u>	<u>1,484,261</u>
End of Year	<u><u>\$ 2,173,823</u></u>	<u><u>\$ 1,484,819</u></u>

See accompanying notes and auditors' report.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
STATEMENTS OF ACCUMULATED PLAN BENEFITS
JANUARY 1, 2009 AND DECEMBER 31, 2008

	<u>01/01/09</u>	<u>12/31/08</u>
Actuarial Present Value of Accumulated Plan Benefits		
Vested Benefits		
Active Participants	\$ 1,823,698	\$ 1,471,872
Participants with deferred benefits	<u>34,825</u>	<u>36,892</u>
Total Vested Benefits	<u>1,858,523</u>	<u>1,508,764</u>
Non-vested Benefits		
Accumulated non-vested benefits	<u>82,500</u>	<u>46,494</u>
Total Accumulated Benefits	<u>\$ 1,941,023</u>	<u>\$ 1,555,258</u>

See accompanying notes and auditors' report.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS
JANUARY 1, 2009 AND DECEMBER 31, 2008

	<u>01/01/09</u>	<u>12/31/08</u>
Actuarial Present Value of Accumulated Plan Benefits at Beginning of Year	<u>\$ 1,555,258</u>	<u>\$ 1,555,258</u>
Increase (decrease) during the year attributable to:		
Actuarial experience	311,884	-
Decrease in discount period	85,539	-
Benefits paid	<u>(11,658)</u>	<u>-</u>
Net Increase	<u>385,765</u>	<u>-</u>
Actuarial Present Value of Accumulated Plan Benefits at End of Year	<u>\$ 1,941,023</u>	<u>\$ 1,555,258</u>

See accompanying notes and auditors' report.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE A - DESCRIPTION OF PLAN

The following brief description of the Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

General

The Plan is a defined benefit pension plan covering substantially all employees of Beacon Orthopaedics & Sports Medicine, Ltd. Employees twenty-one years of age or older become plan participants on the first entry date after completing one year of service. Entry dates are January 1 and July 1.

Pension Benefits

Employees are entitled to annual pension benefits at normal retirement date which is defined as the earlier of (1) the later of the employee's fifty-second birthday or the tenth anniversary of participation in the Plan, and (2) the later of the employee's sixty-fifth birthday or the fifth anniversary of participation in the Plan.

The benefit amount is calculated by Plan rules utilizing an average compensation based on the employee's most highly compensated, consecutive thirty-six month period. Certain named physicians receive 2.5% of average compensation per year of plan service (maximum of ten years). The minimum benefit is \$40 per year of plan service (maximum of ten years). The benefit is in the form of an annuity for life.

Vesting

Plan benefits are vested by the following schedule:

<u>Years of Service</u>	<u>Nonforfeitable Percentage</u>
Less than 2 years	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 but less than 6	80%
6 years and over	100%

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Death Benefits

Benefits are payable upon death of both active and retired employees. Rules governing the distribution of these death benefits are described in detail in the Plan documents.

Contributions

The Plan is funded by the Employer, Beacon Orthopaedics & Sports Medicine, Ltd. by annual payments to the Plan Trustee based on actuarial study plus any additional amount that the Employer may determine. Annual or cumulative funding deficiencies are eliminated as required by law or regulation.

Forfeited Amounts

Amounts forfeited by any Participant shall be used to reduce the Employer's contribution to the Plan.

Administrative Costs

The Employer absorbs significant costs of the Plan.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Estimates

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

Investment Valuation and Income Recognition

If available, quoted market prices are used to value investments. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded when earned (on the ex-dividend date).

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Payment of Benefits

Benefit payments to participants are recorded upon distributions.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' compensation during their most highly compensated, consecutive thirty-six months of credited service. The accumulated plan benefits for active employees are based on their average compensation during the three years ending on the date as of which the benefit information is presented (the valuation date). Benefits payable under all circumstances—retirement, death, disability and termination of employment—are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary from Cuni, Rust and Strenk Actuarial Consulting and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of January 1, 2008 and December 31, 2007 were (a) life expectancy of participants (the 2007 Group Annuity Mortality Table was used), (b) retirement age assumptions of normal retirement age, and (c) investment return. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The valuation date was changed to January 1, 2008 due to the requirements of the Pension Protection Act of 2006.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE C - FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statements of net assets available for benefit.

		Fair Value Measurements at Reporting Date Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Observable Inputs Other Than Quoted Prices for Identical Assets (Level 2)
	<u>Fair Value</u>		
<u>December 31, 2009</u>			
Mutual Funds	\$ 210,138	\$ 210,138	\$ -
Corporate Stocks	894,640	894,640	-
Corporate Bonds	389,130	-	389,130
Mortgage Pools	51,951	-	51,951
U.S. Government Securities	95,307	-	95,307
U.S. Treasuries	<u>74,371</u>	<u>-</u>	<u>74,371</u>
Total	<u>\$ 1,715,537</u>	<u>\$ 1,104,778</u>	<u>\$ 610,759</u>
<u>December 31, 2008</u>			
Mutual Funds	\$ 114,569	\$ 114,569	\$ -
Corporate Stocks	492,617	492,617	-
Corporate Bonds	188,142	-	188,142
Mortgage Pools	104,109	-	104,109
U.S. Government Securities	128,938	-	128,938
Other Assets	<u>18,170</u>	<u>18,170</u>	<u>-</u>
Total	<u>\$ 1,046,545</u>	<u>\$ 625,356</u>	<u>\$ 421,189</u>

SFAS No. 157, *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority and Level 3 inputs have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

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- Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuation is based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

A financial instruments categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Gains and losses (realized and unrealized) included in changes in net assets available for benefits for the years ended December 31, 2009 and 2008 are reported in net appreciation in fair value of investments.

NOTE D - FUNDING POLICY

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for promised benefits. The funding policy of the Plan is to meet or exceed minimum funding requirements under the Pension Protection Act.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries that are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan is to maximize investment returns while minimizing investment risk for the benefit of the plan participants and their beneficiaries.

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

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NOTE E - PLAN TERMINATION

Although it is the intention of the Employer that the Plan be continued, the Employer has the right to terminate the Plan and discontinue contributions at any time. If the Plan is terminated, participant interests accrued at the date of termination are nonforfeitable and will be distributed per the provisions of the Plan.

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated.

1. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years or that employees eligible to retire for that three year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.
2. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) (a U.S. government agency) up to the applicable limitations (discussed below).
3. All other vested benefits (that is, vested benefits not insured by PBGC).
4. All non-vested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling which is adjusted periodically on the amount of an individual's monthly benefit that the PBGC guarantees. For Plan terminations occurring during 2009 and 2008 that ceiling is \$4,500.00 and \$4,312.50 per month, respectively. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

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NOTE F - TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated March 19, 2004 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

The Plan has adopted ASC 740-10 as it relates to uncertain tax positions for the year ended December 31, 2009 and has evaluated its tax positions taken for all open tax years. Currently the 2009, 2008, 2007 and 2006 tax years are open and subject to examination by the Internal Revenue Service. The Plan is not currently under audit nor has the Plan received notice of intent to audit any prior years.

NOTE G - INVESTMENTS

The following table represents the fair values of investments. Investments are stated at fair value as determined by quoted market price. This information was taken from the statement certified by Charles Schwab & Co., the trustee of the Plan.

	<u>December 31,</u>	
	<u>2009</u>	<u>2008</u>
Mutual Funds	\$ 210,138	\$ 114,569
Corporate Stocks	894,640	492,617
Corporate Bonds	389,130	188,142
Mortgage Pools	51,951	104,109
U.S. Government Securities	169,678	128,938
Other Assets	<u>-</u>	<u>18,170</u>
Total Investments	<u>\$ 1,715,537</u>	<u>\$1,046,545</u>

There were no investment transactions for either year which exceeded 5% of net assets available for benefits.

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NOTE H - RISKS AND UNCERTAINTIES

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

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE I - RECONCILIATION OF FINANCIAL STATEMENTS WITH 5500

	<u>2009</u>	<u>2008</u>
Total Net Assets per Audited Financial Statements	<u>\$2,173,823</u>	<u>\$1,484,819</u>
Total Net Assets per 5500	\$2,173,822	\$1,484,819
Rounding	<u>1</u>	<u>-</u>
Adjusted Total per 5500	<u>\$2,173,823</u>	<u>\$1,484,819</u>

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(HELD AT YEAR END)
DECEMBER 31, 2009

<u>QTY/ UNITS</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>TOTAL COST</u>	<u>MARKET VALUE</u>
-	Schwab Adv Cash Reserves Prem.	-	-	50,335.00	50,335.00
15,000.000	Federal Farm Credit Bank	4.875%	02/18/11	15,174.90	15,686.00
15,000.000	Federal Farm Credit Bank	4.875%	12/16/15	15,360.55	16,091.49
15,000.000	Federal Home Loan Bank	4.500%	09/16/13	14,825.95	16,162.59
15,000.000	Federal Home Loan Bank	4.500%	11/15/12	15,290.05	16,111.38
15,000.000	Federal Home Loan Mortgage Corp	5.500%	09/15/11	15,508.83	16,124.07
15,000.000	Federal National Mortgage Assn	4.750%	03/12/10	15,085.60	15,131.37
15,000.000	Australian Government	5.750%	06/15/11	13,279.00	13,734.20
20,000.000	U.S. Treasury Strips	-	02/15/13	18,706.00	18,862.50
35,000.000	U.S. Treasury Note	1.500%	07/15/12	34,840.00	35,060.17
10,227.000	U.S. Treasury Infl Index Note	0.625%	04/15/13	9,926.00	10,399.89
10,025.000	U.S. Treasury Inflation Index	1.375%	07/15/18	9,625.00	10,048.10
10,000.000	Transocean Inc.	1.500%	12/15/37	9,773.00	9,711.33
15,000.000	Abbott Laboratories	3.750%	03/15/11	15,131.00	15,478.35
15,000.000	American Express	4.875%	07/15/13	15,534.00	15,605.54
15,000.000	AT & T Inc.	4.850%	02/15/14	16,187.00	16,026.36
10,000.000	AutoZone Inc.	4.375%	06/01/13	9,530.00	10,170.75
15,000.000	Avon Products Inc.	5.625%	03/01/14	16,438.00	16,443.72
10,000.000	Bank of New York Mellon	4.950%	11/01/12	10,398.00	10,769.74
15,000.000	Berkshire Hathaway Finance	4.625%	10/15/13	15,163.00	15,971.43
15,000.000	Cisco Systems Inc.	5.500%	02/22/16	16,472.00	16,541.94
15,000.000	ConocoPhillips	4.750%	10/15/12	15,304.00	16,075.20
10,000.000	Dominion Resources Inc.	6.400%	06/15/18	10,416.00	11,002.63
15,000.000	Duke Energy Corp	5.050%	09/15/19	15,282.00	15,018.02
15,000.000	Emerson Electric Co.	5.375%	10/15/17	15,334.00	16,021.44
15,000.000	General Dynamics Corp.	4.500%	08/15/10	15,399.00	15,359.34
15,000.000	General Electric Capital	5.450%	01/15/13	15,307.00	15,998.06
10,000.000	Goldman Sachs Group	5.700%	09/01/12	10,329.00	10,783.47
15,000.000	Home Depot Inc	5.400%	03/01/16	15,558.00	15,648.86
15,000.000	John Deere Capital Corp	4.950%	12/17/12	15,314.00	16,203.20
15,000.000	Kroger Company	5.500%	02/01/13	15,322.00	16,010.93
10,000.000	Marathon Oil Corp	6.500%	02/15/14	10,672.00	11,084.18
10,000.000	MetLife Incorporated	6.125%	12/01/11	10,352.40	10,764.37

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(HELD AT YEAR END)
DECEMBER 31, 2009

<u>QTY/ UNITS</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>TOTAL COST</u>	<u>MARKET VALUE</u>
15,000.000	Pacific Gas & Electric	4.800%	03/01/14	14,591.05	16,007.64
15,000.000	State Street Corp	2.150%	04/30/12	15,162.00	15,179.27
15,000.000	Verizon Communications	5.500%	02/15/18	15,961.00	15,612.84
15,000.000	Wal-Mart Stores	4.550%	05/01/13	15,982.00	15,946.62
15,000.000	Walgreen Company	5.250%	01/15/19	16,354.00	15,960.71
34,412.000	FNMA #919604	5.000%	07/01/37	32,915.00	35,382.08
15,641.000	GNMA PL #658182	6.000%	11/15/36	15,959.00	16,568.73
3,225.487	American EuroPacific Growth	-	-	114,999.00	123,568.41
1,117.770	Muhlenkamp Fund	-	-	90,673.00	56,659.76
500.000	Wisdomtree Large Cap Div	-	-	24,134.00	20,640.00
450.000	Abbott Laboratories	-	-	19,894.00	24,295.50
700.000	Aecom Technology Corp	-	-	18,489.00	19,250.00
250.000	Amgen Inc.	-	-	13,772.00	14,142.50
800.000	Avon Products Inc.	-	-	19,209.00	25,200.00
450.000	Baxter International Inc.	-	-	24,522.00	26,406.00
1,000.000	Blackrock Income Oppnty Tr	-	-	11,293.00	9,270.00
2,000.000	Boston Scientific Corp.	-	-	24,870.00	18,000.00
450.000	BP P.L.C. Sponsored ADR	-	-	22,354.00	26,086.50
450.000	Canadian Natural Resources	-	-	24,039.00	32,377.50
300.000	Cenovus Energy Inc.	-	-	2,567.00	7,560.00
225.000	Chevron Corporation	-	-	13,026.00	17,322.75
1,000.000	Cisco Systems Inc.	-	-	17,114.00	23,940.00
350.000	Cohen & Steers REIT	-	-	7,238.00	3,622.50
475.000	ConocoPhillips	-	-	25,480.00	24,258.25
275.000	Cullen Frost Bankers	-	-	13,160.00	13,750.00
1,600.000	Dell Inc.	-	-	28,651.00	22,976.00
475.000	Diageo PLC Sponsored ADR	-	-	25,110.00	32,969.75
550.000	Dish Network Corp Cl A	-	-	13,909.00	11,423.50
125.000	Dover Corp.	-	-	4,593.00	5,201.25
300.000	Encana Corporation	-	-	2,906.00	9,717.00
175.000	FedEx Corp	-	-	13,497.00	14,603.75
225.000	Franklin Resources	-	-	13,505.00	23,703.75
925.000	Intel Corp.	-	-	17,601.00	18,870.00

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DECEMBER 31, 2009

<u>QTY/ UNITS</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>TOTAL COST</u>	<u>MARKET VALUE</u>
500.000	Kansas City Southern	-	-	6,212.19	16,645.00
225.000	Kimberly-Clark Corp.	-	-	13,958.78	14,334.75
250.000	L-3 Communications Holdings	-	-	19,791.00	21,737.50
1,000.000	Lowes Companies Inc.	-	-	25,681.00	23,390.00
75.000	Mastercard Inc-Class A	-	-	12,076.00	19,198.50
225.000	McCormick & Co. Inc.	-	-	7,668.00	8,129.25
325.000	McDonalds Corporation	-	-	18,039.00	20,293.00
350.000	Medtronic Inc.	-	-	10,940.00	15,393.00
1,000.000	Microsoft Corporation	-	-	25,706.00	30,480.00
955.000	Nokia Corporation Sponsored ADR	-	-	16,199.00	12,271.75
325.000	Procter & Gamble	-	-	17,028.00	19,704.75
7,200.000	Putnam Premier Income Trust	-	-	46,119.00	44,136.00
300.000	Questar Corp.	-	-	6,097.50	12,471.00
70.000	Rio Tinto PLC-Sponsored ADR	-	-	7,092.19	15,077.30
675.000	Scripps Networks Interactive	-	-	22,097.00	28,012.50
1,600.000	Sprint Nextel Corporation	-	-	20,714.00	5,856.00
350.000	State Street Corp	-	-	14,341.00	15,239.00
350.000	Target Corp	-	-	16,797.00	16,929.50
475.000	United Technologies Corp	-	-	21,901.00	32,969.75
1,300.000	UTI Worldwide Inc.	-	-	21,778.00	18,616.00
725.000	Verizon Communications	-	-	21,908.00	24,019.25
1,000.000	Walt Disney Co.	-	-	21,918.00	32,250.00
550.000	Wells Fargo Company	-	-	15,777.00	14,844.50
900.000	Western Union Co.	-	-	15,880.00	16,965.00

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<u>QTY/ UNITS</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>TOTAL COST</u>	<u>MARKET VALUE</u>
-	Cash	-	-	423.63	423.63
-	Schwab Adv Cash Reserves Prem.	-	-	80,534.22	80,534.22
15,000.000	Federal Farm Credit Bank	4.875%	02/18/11	15,174.90	16,011.69
15,000.000	Federal Farm Credit Bank	4.875%	12/16/15	15,360.55	16,642.28
15,000.000	Federal Home Loan Bank	4.500%	09/16/13	14,825.95	16,356.93
15,000.000	Federal Home Loan Bank	4.500%	11/15/12	15,290.05	16,418.90
15,000.000	Federal Home Loan Mortgage Corp	5.500%	09/15/11	15,508.83	16,524.41
15,000.000	Federal Home Loan Mortgage Corp	4.125%	07/12/10	14,820.75	15,639.86
15,000.000	Federal National Mortgage	4.250%	08/15/10	14,883.70	15,702.74
15,000.000	Federal National Mortgage	4.750%	03/12/10	15,085.60	15,641.12
15,000.000	Abbott Laboratories	3.750%	03/15/11	15,131.00	15,295.73
15,000.000	Berkshire Hathaway Finance	4.625%	10/15/13	15,163.00	15,444.35
15,000.000	ConocoPhillips	4.750%	10/15/12	15,304.00	15,309.30
15,000.000	Emerson Electric Co.	5.375%	10/15/17	15,334.00	15,464.72
15,000.000	General Dynamics	4.500%	08/15/10	15,399.00	15,287.60
15,000.000	General Electric Capital	5.450%	01/15/13	15,307.00	15,157.61
15,000.000	Home Depot Inc.	5.200%	03/01/11	15,010.00	14,652.36
10,000.000	HSBC Finance Corp.	5.780%	01/10/14	9,060.00	6,188.57
15,000.000	John Deere Capital Corp.	4.950%	12/17/12	15,314.00	15,049.08
15,000.000	Kroger Co.	5.500%	02/01/13	15,322.00	14,887.88
15,000.000	Pacific Gas & Electric Co.	4.800%	03/01/14	14,591.05	14,597.21
15,000.000	SBC Communications	5.300%	11/15/10	15,262.55	15,217.53
15,000.000	Wal-Mart Stores	4.750%	08/15/10	15,092.20	15,590.36
40,000.000	FNMA #899509	5.500%	05/01/37	34,431.00	36,022.09
40,000.000	FNMA #919604	5.000%	07/01/37	36,871.00	39,455.71
38,609.000	GNMA #658182	6.000%	11/15/36	28,256.00	28,630.99
4,000.000	Blackrock Income Opportunity TR	-	-	45,172.00	33,800.00
350.000	Cohen & Steers REIT	-	-	7,238.00	2,173.50
7,200.000	Putnam Premier Income Trust	-	-	46,118.72	27,864.00
2,300.000	Western Asset Premier BD FD	-	-	35,372.20	20,470.00
2,563.838	American EuroPacific Growth	-	-	95,695.00	71,479.80
1,116.307	Muhlenkamp Fund	-	-	90,598.00	43,089.45
500.000	Wisdomtree LargeCap Div	-	-	24,134.00	18,170.00

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
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<u>QTY/ UNITS</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>TOTAL COST</u>	<u>MARKET VALUE</u>
250.000	Abbott Laboratories	-	-	11,020.00	13,342.50
250.000	Amgen Inc.	-	-	16,646.98	14,437.50
200.000	Avon Products Inc.	-	-	6,001.00	4,806.00
1,200.000	Boston Scientific Corp.	-	-	17,685.99	9,288.00
150.000	BP P.L.C. Sponsored ADR	-	-	10,402.11	7,011.00
150.000	Canadian Natural Resources	-	-	10,799.00	5,997.00
225.000	Chevron Corporation	-	-	13,026.00	16,643.25
250.000	ConocoPhillips	-	-	16,411.12	12,950.00
800.000	Dell Inc.	-	-	19,987.95	8,192.00
200.000	Diageo PLC Sponsored ADR New	-	-	12,584.00	11,348.00
550.000	Dish Network Corp A	-	-	13,909.00	6,099.50
250.000	Dover Corp.	-	-	9,186.95	8,230.00
300.000	Encana Corporation	-	-	5,473.50	13,944.00
300.000	FedEx Corporation	-	-	23,138.00	19,245.00
100.000	Franklin Resources Inc.	-	-	7,374.00	6,378.00
800.000	General Electric Co.	-	-	24,917.00	12,960.00
1,225.000	Intel Corp.	-	-	23,808.00	17,958.50
500.000	Kansas City Southern	-	-	6,212.19	9,525.00
225.000	Kimberly-Clark Corp.	-	-	13,958.78	11,866.50
100.000	L-3 Communications Holdings	-	-	9,058.00	7,378.00
1,000.000	Lowes Companies Inc.	-	-	25,681.00	21,520.00
450.000	McCormick & Co.	-	-	15,337.00	14,337.00
200.000	Medtronic Inc.	-	-	9,423.00	6,284.00
800.000	Microsoft Corporation	-	-	21,792.00	15,552.00
800.000	Nokia Corporation Sponsored ADR	-	-	14,784.00	12,480.00
300.000	Pfizer Inc.	-	-	7,419.66	5,313.00
300.000	Questar Corp.	-	-	6,097.50	9,807.00
70.000	Rio Tinto PLC-Sponsored ADR	-	-	7,092.19	6,223.70
125.000	E.W. Scripps Company	-	-	1,185.00	276.25
375.000	Scripps Networks Interactive	-	-	14,244.00	8,250.00
1,600.000	Sprint Nextel Corporation	-	-	20,714.00	2,928.00
175.000	State Street Corp.	-	-	6,595.00	6,882.75
600.000	Sysco Corporation	-	-	16,863.00	13,764.00

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
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(HELD AT YEAR END)
DECEMBER 31, 2008

<u>QTY/ UNITS</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>TOTAL COST</u>	<u>MARKET VALUE</u>
475.000	Target Corporation	-	-	23,080.00	16,401.75
400.000	Time Warner Inc.	-	-	7,030.00	4,024.00
175.000	Tyco Electronics Ltd.	-	-	5,422.88	2,836.75
800.000	UTI Worldwide Inc.	-	-	14,891.00	11,472.00
500.000	Walt Disney Co.	-	-	11,945.42	11,345.00
275.000	Wells Fargo Company	-	-	8,809.00	8,107.00
900.000	Western Union Co.	-	-	15,880.00	12,906.00

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EIN: 31-1483173
PLAN NUMBER: 003
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ACQUIRED AND DISPOSED OF (HELD AT END OF YEAR)
DECEMBER 31, 2009

<u>SECURITY DESCRIPTION</u>	<u>QTY/ UNITS</u>	<u>ACQUISITION COST</u>
PURCHASES		
MetLife Incorporated	10,000.00	10,352.40
Cisco Systems Inc.	425.00	6,830.94
United Technologies Corp.	200.00	8,851.07
Nokia Corporation Sponsored ADR	155.00	1,415.35
American Europacific Growth Fund CI	621.00	17,000.00
Avon Products Inc.	600.00	13,207.95
Franklin Resources	200.00	11,941.95
BP P.L.C. Sponsored ADR	300.00	11,951.94
Boston Scientific Corp.	800.00	7,183.95
Canadian Natural Resources LTD	300.00	13,239.96
ConocoPhillips	225.00	9,068.70
Cisco Systems Inc.	575.00	10,282.63
Dell Inc.	800.00	8,663.07
Diageo PLC Sponsored ADR New	275.00	12,525.95
Walt Disney Co.	500.00	9,972.95
L-3 Communications Holdings Inc.	150.00	10,732.95
Medtronic Inc.	375.00	11,721.19
Microsoft Corporation	200.00	3,913.75
Scripps Networks Interactive	300.00	7,852.95
UTI Worldwide Inc.	500.00	6,887.45
United Technologies Corp.	275.00	13,049.44
Autozone Inc.	10,000.00	9,530.00
Wal-Mart Stores Incorporated	15,000.00	15,982.20
State Street Corp.	15,000.00	15,162.45
Bank of New York Mellon	10,000.00	10,397.50
Franklin Resources	25.00	1,562.82
U.S. Treasury Infl Index Note	10,045.00	9,938.20
U.S. Treasury Inflation Index Note	9,846.00	9,637.11
Goldman Sachs Group Inc.	10,000.00	10,328.50
Marathon Oil Corp.	10,000.00	10,671.90
Medtronic Inc.	75.00	2,425.28
Dominion Resources Inc.	10,000.00	10,416.30
Abbott Laboratories	200.00	8,873.75

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
EIN: 31-1483173
PLAN NUMBER: 003
SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
ACQUIRED AND DISPOSED OF (HELD AT END OF YEAR)
DECEMBER 31, 2009

<u>SECURITY DESCRIPTION</u>	<u>QTY/ UNITS</u>	<u>ACQUISITION COST</u>
Amgen Inc.	150.00	7,542.15
State Street Corp.	175.00	7,746.28
Wells Fargo Company	275.00	6,967.93
Mastercard Inc-Class A	75.00	12,076.07
Procter & Gamble Co.	325.00	17,027.58
Verizon Communications	725.00	21,908.17
U.S. Treasury Note	35,000.00	34,840.04
U.S. Treasury Strips	20,000.00	18,706.00
Home Depot Incorporated	15,000.00	15,557.50
Avon Products Inc.	15,000.00	16,438.20
Cisco Systems Inc.	15,000.00	16,471.95
McDonalds Corporation	325.00	18,038.85
Australian Government	15,000.00	13,278.96
Duke Energy Corp.	15,000.00	15,281.65
American Express Corporation	15,000.00	15,533.85
Aecom Technology Corp.	700.00	18,489.21
Cullen Frost Bankers Inc.	275.00	13,160.49
Baxter International Inc.	450.00	24,521.93
Walgreen Company	15,000.00	16,354.35
AT & T Inc.	15,000.00	16,186.95
Transocean Inc.	10,000.00	9,772.50
Verizon Communications	15,000.00	15,961.15
American Europacific Growth	60.00	2,303.83
Muhlenkamp Fund	1.00	74.99

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
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SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
ACQUIRED AND DISPOSED OF (HELD AT END OF YEAR)
DECEMBER 31, 2009

<u>SECURITY DESCRIPTION</u>	<u>QTY/ UNITS</u>	<u>PROCEEDS</u>
SALES		
McCormick & Co.	225.00	7,213.71
Dover Corp.	125.00	3,368.96
Pfizer Inc.	300.00	4,137.63
Time Warner Inc.	400.00	2,912.03
Blackrock Income Opportunity Trust	3,000.00	25,231.80
Tyco Electronics LTD	175.00	1,406.99
E.W. Scripps Company	125.00	218.33
Wal-Mart Stores Incorporated	15,000.00	15,641.60
FNMA #899509	31,752.00	32,982.27
Target Corp	125.00	5,134.24
Rio Tinto PLC-Capital Gain	1.00	1,598.27
General Electric Co.	800.00	9,178.53
Federal Home Loan Mortgage	15,000.00	15,423.95
Federal National Mortgage	15,000.00	15,498.00
Home Depot Inc.	15,000.00	15,606.50
Amgen Inc.	150.00	8,851.68
Franklin Resources	100.00	9,084.47
FedEx Corp.	125.00	9,297.14
Intel Corp.	300.00	5,694.09
Medtronic Inc.	300.00	11,858.66
Sysco Corp.	600.00	16,192.05
SBC Communications	15,000.00	15,630.20
HSBC Finance Corp.	10,000.00	9,052.00

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
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SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
ACQUIRED AND DISPOSED OF (HELD AT END OF YEAR)
DECEMBER 31, 2008

<u>SECURITY DESCRIPTION</u>	<u>QTY/ UNITS</u>	<u>ACQUISITION COST</u>
PURCHASES		
Target Corp.	325.00	16,336.54
Cohen & Steers REIT	350.00	7,238.29
Medtronic Inc.	200.00	9,423.49
McCormick & Co.	450.00	15,336.57
Microsoft Corporation	350.00	9,982.95
Sysco Corporation	450.00	12,590.76
Abbott Laboratories	100.00	5,206.08
American International Group Inc.	175.00	6,868.55
Citigroup Inc.	300.00	6,969.93
Wells Fargo Company	125.00	3,610.51
ConocoPhillips	15,000.00	15,304.15
GN #658182	30,000.00	30,610.37
Kroger Company	15,000.00	15,321.70
L-3 Communications Holdings Inc.	100.00	9,057.95
American International Group Inc.	400.00	10,615.15
Wisdomtree Large Cap Div Exch	500.00	24,133.95
FedEx Corp.	300.00	23,137.95
General Electric Co.	400.00	11,331.15
Lowes Companies Inc.	500.00	10,181.95
Microsoft Corporation	250.00	6,367.45
Nokia Corporation Sponsored ADR	200.00	5,413.55
Sprint Nextel Corporation	800.00	6,471.95
Sysco Corp.	150.00	4,272.15
Target Corp.	150.00	6,743.85
UTI Worldwide Inc.	150.00	2,695.80
Abbott Laboratories	15,000.00	15,130.74
General Dynamics Corporation	15,000.00	15,399.00
General Electric Capital Corporation	15,000.00	15,306.55
Home Depot Inc.	15,000.00	15,009.58
Berkshire Hathaway Finance Corp.	15,000.00	15,162.69
John Deere Capital Corp.	15,000.00	15,313.90
Canadian Natural Resources LTD	150.00	10,798.56

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
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SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
ACQUIRED AND DISPOSED OF (HELD AT END OF YEAR)
DECEMBER 31, 2008

<u>SECURITY DESCRIPTION</u>	<u>QTY/ UNITS</u>	<u>ACQUISITION COST</u>
Western Union Co.	450.00	6,540.96
American EuroPacific Growth Fund Cl F	190.00	5,109.86
Diageo PLC Sponsored ADR New	200.00	12,583.99
Franklin Resources	100.00	7,373.75
Intel Corp.	225.00	3,858.40
Muhlenkamp Fund	4.00	157.89
State Street Corp.	175.00	6,594.85

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
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PLAN NUMBER: 003
SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
ACQUIRED AND DISPOSED OF (HELD AT END OF YEAR)
DECEMBER 31, 2008

<u>SECURITY DESCRIPTION</u>	<u>QTY/ UNITS</u>	<u>PROCEEDS</u>
SALES		
Countrywide Home Loans Inc.	15,000.00	12,065.00
McDonalds Corporation	279.00	14,997.14
Nabors Industries LTD	550.00	15,951.44
Echostar Corporation A	110.00	3,727.59
Federal Home Loan Mortgage	15,000.00	15,000.00
SLM Corporation	15,000.00	15,000.00
Capital One Financial Corporation	200.00	10,339.53
Fannie Mae	150.00	4,379.22
General Dynamics Corporation	15,000.00	15,000.00
DaimlerChrysler North America	15,000.00	15,000.00
Lehman Brothers Holdings	15,000.00	14,919.20
Tyco International LTD	175.00	6,828.96
Western Union Co.	450.00	11,280.32
Avon Products Inc.	200.00	7,462.06
Wells Fargo Company	250.00	7,898.38
Citigroup Inc.	650.00	8,307.32
American International Group Inc.	800.00	1,370.04
PMI Group Inc.	800.00	1,136.60
Western Asset Premier BD FD	2,300.00	20,206.63

**BEACON ORTHOPAEDICS & SPORTS
MEDICINE, LTD.**

DEFINED BENEFIT PLAN

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT**

YEARS ENDED DECEMBER 31, 2009 AND 2008

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Whitmer

& Company CPA'S, LLP

Fourth and Walnut Centre
105 East Fourth St., Suite 1100
Cincinnati, Ohio 45202-4011
Phone: (513) 381-8010
Fax: (513) 381-2601

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan
Cincinnati, Ohio

We were engaged to audit the statements of net assets available for benefits and the statement of accumulated plan benefits of Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan as of December 31, 2009 and 2008 and the accompanying statements of changes in net assets available for benefits, changes in accumulated plan benefits and supplementary schedules of assets held at the end of the year and assets acquired and disposed of within the year, for the year then ended. These financial statements and schedules are the responsibility of the Plan's management.

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

Because of the significance of the information that we did not audit, we are unable to and do not express an opinion on the accompanying financial statements and schedules taken as a whole. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.


Whitmer & Company CPA's, LLP
Cincinnati, Ohio

September 28, 2010

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2009 AND 2008

ASSETS		
	<u>2009</u>	<u>2008</u>
Investments (Note G)		
Mutual funds	\$ 210,138	\$ 114,569
Corporate stocks	894,640	492,617
Corporate bonds	389,130	188,142
Mortgage pools	51,951	104,109
U.S. Government securities	95,307	128,938
U.S. Treasuries	74,371	-
Other assets	-	18,170
Total Investments	<u>1,715,537</u>	<u>1,046,545</u>
Receivables		
Contribution receivable	401,587	353,234
Accrued investment income	<u>6,364</u>	<u>4,082</u>
Total Receivables	<u>407,951</u>	<u>357,316</u>
Cash & Cash Equivalents	<u>50,335</u>	<u>80,958</u>
Total Assets	2,173,823	1,484,819
LIABILITIES		
Total Liabilities	<u>-</u>	<u>-</u>
Net Assets Available for Benefits	<u>\$ 2,173,823</u>	<u>\$ 1,484,819</u>

See accompanying notes and auditors' report.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Additions to Net Assets		
Investment Income		
Interest	\$ 22,719	\$ 21,943
Dividends	24,503	22,814
Realized losses on investments	4,818	(42,553)
Net depreciation in fair value of investments	<u>267,232</u>	<u>(343,011)</u>
	319,272	(340,807)
Less investment expenses	<u>-</u>	<u>-</u>
Net Investment Income (Loss)	319,272	(340,807)
Employer Contribution	<u>401,490</u>	<u>353,033</u>
Total Additions to Net Assets	<u>720,762</u>	<u>12,226</u>
Deductions from Net Assets		
Benefits Paid to Participants	31,585	11,658
Fees	<u>173</u>	<u>10</u>
Total Deductions from Net Assets	<u>31,758</u>	<u>11,668</u>
Net Increase in Assets Available for Benefits	689,004	558
Net Assets Available for Benefits		
Beginning of Year	<u>1,484,819</u>	<u>1,484,261</u>
End of Year	<u><u>\$ 2,173,823</u></u>	<u><u>\$ 1,484,819</u></u>

See accompanying notes and auditors' report.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
STATEMENTS OF ACCUMULATED PLAN BENEFITS
JANUARY 1, 2009 AND DECEMBER 31, 2008

	<u>01/01/09</u>	<u>12/31/08</u>
Actuarial Present Value of Accumulated Plan Benefits		
Vested Benefits		
Active Participants	\$ 1,823,698	\$ 1,471,872
Participants with deferred benefits	<u>34,825</u>	<u>36,892</u>
Total Vested Benefits	<u>1,858,523</u>	<u>1,508,764</u>
Non-vested Benefits		
Accumulated non-vested benefits	<u>82,500</u>	<u>46,494</u>
Total Accumulated Benefits	<u>\$ 1,941,023</u>	<u>\$ 1,555,258</u>

See accompanying notes and auditors' report.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS
JANUARY 1, 2009 AND DECEMBER 31, 2008

	<u>01/01/09</u>	<u>12/31/08</u>
Actuarial Present Value of Accumulated Plan Benefits at Beginning of Year	<u>\$ 1,555,258</u>	<u>\$ 1,555,258</u>
Increase (decrease) during the year attributable to:		
Actuarial experience	311,884	-
Decrease in discount period	85,539	-
Benefits paid	<u>(11,658)</u>	<u>-</u>
Net Increase	<u>385,765</u>	<u>-</u>
Actuarial Present Value of Accumulated Plan Benefits at End of Year	<u>\$ 1,941,023</u>	<u>\$ 1,555,258</u>

See accompanying notes and auditors' report.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE A - DESCRIPTION OF PLAN

The following brief description of the Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

General

The Plan is a defined benefit pension plan covering substantially all employees of Beacon Orthopaedics & Sports Medicine, Ltd. Employees twenty-one years of age or older become plan participants on the first entry date after completing one year of service. Entry dates are January 1 and July 1.

Pension Benefits

Employees are entitled to annual pension benefits at normal retirement date which is defined as the earlier of (1) the later of the employee's fifty-second birthday or the tenth anniversary of participation in the Plan, and (2) the later of the employee's sixty-fifth birthday or the fifth anniversary of participation in the Plan.

The benefit amount is calculated by Plan rules utilizing an average compensation based on the employee's most highly compensated, consecutive thirty-six month period. Certain named physicians receive 2.5% of average compensation per year of plan service (maximum of ten years). The minimum benefit is \$40 per year of plan service (maximum of ten years). The benefit is in the form of an annuity for life.

Vesting

Plan benefits are vested by the following schedule:

<u>Years of Service</u>	<u>Nonforfeitable Percentage</u>
Less than 2 years	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 but less than 6	80%
6 years and over	100%

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Death Benefits

Benefits are payable upon death of both active and retired employees. Rules governing the distribution of these death benefits are described in detail in the Plan documents.

Contributions

The Plan is funded by the Employer, Beacon Orthopaedics & Sports Medicine, Ltd. by annual payments to the Plan Trustee based on actuarial study plus any additional amount that the Employer may determine. Annual or cumulative funding deficiencies are eliminated as required by law or regulation.

Forfeited Amounts

Amounts forfeited by any Participant shall be used to reduce the Employer's contribution to the Plan.

Administrative Costs

The Employer absorbs significant costs of the Plan.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Estimates

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

Investment Valuation and Income Recognition

If available, quoted market prices are used to value investments. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded when earned (on the ex-dividend date).

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Payment of Benefits

Benefit payments to participants are recorded upon distributions.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' compensation during their most highly compensated, consecutive thirty-six months of credited service. The accumulated plan benefits for active employees are based on their average compensation during the three years ending on the date as of which the benefit information is presented (the valuation date). Benefits payable under all circumstances—retirement, death, disability and termination of employment—are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary from Cuni, Rust and Strenk Actuarial Consulting and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of January 1, 2008 and December 31, 2007 were (a) life expectancy of participants (the 2007 Group Annuity Mortality Table was used), (b) retirement age assumptions of normal retirement age, and (c) investment return. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The valuation date was changed to January 1, 2008 due to the requirements of the Pension Protection Act of 2006.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE C - FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statements of net assets available for benefit.

		Fair Value Measurements at Reporting Date Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Observable Inputs Other Than Quoted Prices for Identical Assets (Level 2)
	<u>Fair Value</u>		
<u>December 31, 2009</u>			
Mutual Funds	\$ 210,138	\$ 210,138	\$ -
Corporate Stocks	894,640	894,640	-
Corporate Bonds	389,130	-	389,130
Mortgage Pools	51,951	-	51,951
U.S. Government Securities	95,307	-	95,307
U.S. Treasuries	<u>74,371</u>	<u>-</u>	<u>74,371</u>
Total	<u>\$ 1,715,537</u>	<u>\$ 1,104,778</u>	<u>\$ 610,759</u>
<u>December 31, 2008</u>			
Mutual Funds	\$ 114,569	\$ 114,569	\$ -
Corporate Stocks	492,617	492,617	-
Corporate Bonds	188,142	-	188,142
Mortgage Pools	104,109	-	104,109
U.S. Government Securities	128,938	-	128,938
Other Assets	<u>18,170</u>	<u>18,170</u>	<u>-</u>
Total	<u>\$ 1,046,545</u>	<u>\$ 625,356</u>	<u>\$ 421,189</u>

SFAS No. 157, *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority and Level 3 inputs have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

- Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuation is based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

A financial instruments categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Gains and losses (realized and unrealized) included in changes in net assets available for benefits for the years ended December 31, 2009 and 2008 are reported in net appreciation in fair value of investments.

NOTE D - FUNDING POLICY

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for promised benefits. The funding policy of the Plan is to meet or exceed minimum funding requirements under the Pension Protection Act.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries that are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan is to maximize investment returns while minimizing investment risk for the benefit of the plan participants and their beneficiaries.

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE E - PLAN TERMINATION

Although it is the intention of the Employer that the Plan be continued, the Employer has the right to terminate the Plan and discontinue contributions at any time. If the Plan is terminated, participant interests accrued at the date of termination are nonforfeitable and will be distributed per the provisions of the Plan.

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated.

1. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years or that employees eligible to retire for that three year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.
2. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) (a U.S. government agency) up to the applicable limitations (discussed below).
3. All other vested benefits (that is, vested benefits not insured by PBGC).
4. All non-vested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling which is adjusted periodically on the amount of an individual's monthly benefit that the PBGC guarantees. For Plan terminations occurring during 2009 and 2008 that ceiling is \$4,500.00 and \$4,312.50 per month, respectively. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

**BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

NOTE F - TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated March 19, 2004 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

The Plan has adopted ASC 740-10 as it relates to uncertain tax positions for the year ended December 31, 2009 and has evaluated its tax positions taken for all open tax years. Currently the 2009, 2008, 2007 and 2006 tax years are open and subject to examination by the Internal Revenue Service. The Plan is not currently under audit nor has the Plan received notice of intent to audit any prior years.

NOTE G - INVESTMENTS

The following table represents the fair values of investments. Investments are stated at fair value as determined by quoted market price. This information was taken from the statement certified by Charles Schwab & Co., the trustee of the Plan.

	December 31,	
	<u>2009</u>	<u>2008</u>
Mutual Funds	\$ 210,138	\$ 114,569
Corporate Stocks	894,640	492,617
Corporate Bonds	389,130	188,142
Mortgage Pools	51,951	104,109
U.S. Government Securities	169,678	128,938
Other Assets	<u>-</u>	<u>18,170</u>
Total Investments	<u>\$ 1,715,537</u>	<u>\$1,046,545</u>

There were no investment transactions for either year which exceeded 5% of net assets available for benefits.

**BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

NOTE H - RISKS AND UNCERTAINTIES

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

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE I - RECONCILIATION OF FINANCIAL STATEMENTS WITH 5500

	<u>2009</u>	<u>2008</u>
Total Net Assets per Audited Financial Statements	<u>\$2,173,823</u>	<u>\$1,484,819</u>
Total Net Assets per 5500	\$2,173,822	\$1,484,819
Rounding	<u>1</u>	<u>-</u>
Adjusted Total per 5500	<u>\$2,173,823</u>	<u>\$1,484,819</u>

SUPPLEMENTARY INFORMATION

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
EIN: 31-1483173
PLAN NUMBER: 003
SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
(HELD AT YEAR END)
DECEMBER 31, 2009

<u>QTY/ UNITS</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>TOTAL COST</u>	<u>MARKET VALUE</u>
-	Schwab Adv Cash Reserves Prem.	-	-	50,335.00	50,335.00
15,000.000	Federal Farm Credit Bank	4.875%	02/18/11	15,174.90	15,686.00
15,000.000	Federal Farm Credit Bank	4.875%	12/16/15	15,360.55	16,091.49
15,000.000	Federal Home Loan Bank	4.500%	09/16/13	14,825.95	16,162.59
15,000.000	Federal Home Loan Bank	4.500%	11/15/12	15,290.05	16,111.38
15,000.000	Federal Home Loan Mortgage Corp	5.500%	09/15/11	15,508.83	16,124.07
15,000.000	Federal National Mortgage Assn	4.750%	03/12/10	15,085.60	15,131.37
15,000.000	Australian Government	5.750%	06/15/11	13,279.00	13,734.20
20,000.000	U.S. Treasury Strips	-	02/15/13	18,706.00	18,862.50
35,000.000	U.S. Treasury Note	1.500%	07/15/12	34,840.00	35,060.17
10,227.000	U.S. Treasury Infl Index Note	0.625%	04/15/13	9,926.00	10,399.89
10,025.000	U.S. Treasury Inflation Index	1.375%	07/15/18	9,625.00	10,048.10
10,000.000	Transocean Inc.	1.500%	12/15/37	9,773.00	9,711.33
15,000.000	Abbott Laboratories	3.750%	03/15/11	15,131.00	15,478.35
15,000.000	American Express	4.875%	07/15/13	15,534.00	15,605.54
15,000.000	AT & T Inc.	4.850%	02/15/14	16,187.00	16,026.36
10,000.000	AutoZone Inc.	4.375%	06/01/13	9,530.00	10,170.75
15,000.000	Avon Products Inc.	5.625%	03/01/14	16,438.00	16,443.72
10,000.000	Bank of New York Mellon	4.950%	11/01/12	10,398.00	10,769.74
15,000.000	Berkshire Hathaway Finance	4.625%	10/15/13	15,163.00	15,971.43
15,000.000	Cisco Systems Inc.	5.500%	02/22/16	16,472.00	16,541.94
15,000.000	ConocoPhillips	4.750%	10/15/12	15,304.00	16,075.20
10,000.000	Dominion Resources Inc.	6.400%	06/15/18	10,416.00	11,002.63
15,000.000	Duke Energy Corp	5.050%	09/15/19	15,282.00	15,018.02
15,000.000	Emerson Electric Co.	5.375%	10/15/17	15,334.00	16,021.44
15,000.000	General Dynamics Corp.	4.500%	08/15/10	15,399.00	15,359.34
15,000.000	General Electric Capital	5.450%	01/15/13	15,307.00	15,998.06
10,000.000	Goldman Sachs Group	5.700%	09/01/12	10,329.00	10,783.47
15,000.000	Home Depot Inc	5.400%	03/01/16	15,558.00	15,648.86
15,000.000	John Deere Capital Corp	4.950%	12/17/12	15,314.00	16,203.20
15,000.000	Kroger Company	5.500%	02/01/13	15,322.00	16,010.93
10,000.000	Marathon Oil Corp	6.500%	02/15/14	10,672.00	11,084.18
10,000.000	MetLife Incorporated	6.125%	12/01/11	10,352.40	10,764.37

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
EIN: 31-1483173
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SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
(HELD AT YEAR END)
DECEMBER 31, 2009

<u>QTY/ UNITS</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>TOTAL COST</u>	<u>MARKET VALUE</u>
15,000.000	Pacific Gas & Electric	4.800%	03/01/14	14,591.05	16,007.64
15,000.000	State Street Corp	2.150%	04/30/12	15,162.00	15,179.27
15,000.000	Verizon Communications	5.500%	02/15/18	15,961.00	15,612.84
15,000.000	Wal-Mart Stores	4.550%	05/01/13	15,982.00	15,946.62
15,000.000	Walgreen Company	5.250%	01/15/19	16,354.00	15,960.71
34,412.000	FNMA #919604	5.000%	07/01/37	32,915.00	35,382.08
15,641.000	GNMA PL #658182	6.000%	11/15/36	15,959.00	16,568.73
3,225.487	American EuroPacific Growth	-	-	114,999.00	123,568.41
1,117.770	Muhlenkamp Fund	-	-	90,673.00	56,659.76
500.000	Wisdomtree Large Cap Div	-	-	24,134.00	20,640.00
450.000	Abbott Laboratories	-	-	19,894.00	24,295.50
700.000	Aecom Technology Corp	-	-	18,489.00	19,250.00
250.000	Amgen Inc.	-	-	13,772.00	14,142.50
800.000	Avon Products Inc.	-	-	19,209.00	25,200.00
450.000	Baxter International Inc.	-	-	24,522.00	26,406.00
1,000.000	Blackrock Income Oppnty Tr	-	-	11,293.00	9,270.00
2,000.000	Boston Scientific Corp.	-	-	24,870.00	18,000.00
450.000	BP P.L.C. Sponsored ADR	-	-	22,354.00	26,086.50
450.000	Canadian Natural Resources	-	-	24,039.00	32,377.50
300.000	Cenovus Energy Inc.	-	-	2,567.00	7,560.00
225.000	Chevron Corporation	-	-	13,026.00	17,322.75
1,000.000	Cisco Systems Inc.	-	-	17,114.00	23,940.00
350.000	Cohen & Steers REIT	-	-	7,238.00	3,622.50
475.000	ConocoPhillips	-	-	25,480.00	24,258.25
275.000	Cullen Frost Bankers	-	-	13,160.00	13,750.00
1,600.000	Dell Inc.	-	-	28,651.00	22,976.00
475.000	Diageo PLC Sponsored ADR	-	-	25,110.00	32,969.75
550.000	Dish Network Corp Cl A	-	-	13,909.00	11,423.50
125.000	Dover Corp.	-	-	4,593.00	5,201.25
300.000	Encana Corporation	-	-	2,906.00	9,717.00
175.000	FedEx Corp	-	-	13,497.00	14,603.75
225.000	Franklin Resources	-	-	13,505.00	23,703.75
925.000	Intel Corp.	-	-	17,601.00	18,870.00

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
EIN: 31-1483173
PLAN NUMBER: 003
SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
(HELD AT YEAR END)
DECEMBER 31, 2009

<u>QTY/ UNITS</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>TOTAL COST</u>	<u>MARKET VALUE</u>
500.000	Kansas City Southern	-	-	6,212.19	16,645.00
225.000	Kimberly-Clark Corp.	-	-	13,958.78	14,334.75
250.000	L-3 Communications Holdings	-	-	19,791.00	21,737.50
1,000.000	Lowes Companies Inc.	-	-	25,681.00	23,390.00
75.000	Mastercard Inc-Class A	-	-	12,076.00	19,198.50
225.000	McCormick & Co. Inc.	-	-	7,668.00	8,129.25
325.000	McDonalds Corporation	-	-	18,039.00	20,293.00
350.000	Medtronic Inc.	-	-	10,940.00	15,393.00
1,000.000	Microsoft Corporation	-	-	25,706.00	30,480.00
955.000	Nokia Corporation Sponsored ADR	-	-	16,199.00	12,271.75
325.000	Procter & Gamble	-	-	17,028.00	19,704.75
7,200.000	Putnam Premier Income Trust	-	-	46,119.00	44,136.00
300.000	Questar Corp.	-	-	6,097.50	12,471.00
70.000	Rio Tinto PLC-Sponsored ADR	-	-	7,092.19	15,077.30
675.000	Scripps Networks Interactive	-	-	22,097.00	28,012.50
1,600.000	Sprint Nextel Corporation	-	-	20,714.00	5,856.00
350.000	State Street Corp	-	-	14,341.00	15,239.00
350.000	Target Corp	-	-	16,797.00	16,929.50
475.000	United Technologies Corp	-	-	21,901.00	32,969.75
1,300.000	UTI Worldwide Inc.	-	-	21,778.00	18,616.00
725.000	Verizon Communications	-	-	21,908.00	24,019.25
1,000.000	Walt Disney Co.	-	-	21,918.00	32,250.00
550.000	Wells Fargo Company	-	-	15,777.00	14,844.50
900.000	Western Union Co.	-	-	15,880.00	16,965.00

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(HELD AT YEAR END)
DECEMBER 31, 2008

<u>QTY/ UNITS</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>TOTAL COST</u>	<u>MARKET VALUE</u>
-	Cash	-	-	423.63	423.63
-	Schwab Adv Cash Reserves Prem.	-	-	80,534.22	80,534.22
15,000.000	Federal Farm Credit Bank	4.875%	02/18/11	15,174.90	16,011.69
15,000.000	Federal Farm Credit Bank	4.875%	12/16/15	15,360.55	16,642.28
15,000.000	Federal Home Loan Bank	4.500%	09/16/13	14,825.95	16,356.93
15,000.000	Federal Home Loan Bank	4.500%	11/15/12	15,290.05	16,418.90
15,000.000	Federal Home Loan Mortgage Corp	5.500%	09/15/11	15,508.83	16,524.41
15,000.000	Federal Home Loan Mortgage Corp	4.125%	07/12/10	14,820.75	15,639.86
15,000.000	Federal National Mortgage	4.250%	08/15/10	14,883.70	15,702.74
15,000.000	Federal National Mortgage	4.750%	03/12/10	15,085.60	15,641.12
15,000.000	Abbott Laboratories	3.750%	03/15/11	15,131.00	15,295.73
15,000.000	Berkshire Hathaway Finance	4.625%	10/15/13	15,163.00	15,444.35
15,000.000	ConocoPhillips	4.750%	10/15/12	15,304.00	15,309.30
15,000.000	Emerson Electric Co.	5.375%	10/15/17	15,334.00	15,464.72
15,000.000	General Dynamics	4.500%	08/15/10	15,399.00	15,287.60
15,000.000	General Electric Capital	5.450%	01/15/13	15,307.00	15,157.61
15,000.000	Home Depot Inc.	5.200%	03/01/11	15,010.00	14,652.36
10,000.000	HSBC Finance Corp.	5.780%	01/10/14	9,060.00	6,188.57
15,000.000	John Deere Capital Corp.	4.950%	12/17/12	15,314.00	15,049.08
15,000.000	Kroger Co.	5.500%	02/01/13	15,322.00	14,887.88
15,000.000	Pacific Gas & Electric Co.	4.800%	03/01/14	14,591.05	14,597.21
15,000.000	SBC Communications	5.300%	11/15/10	15,262.55	15,217.53
15,000.000	Wal-Mart Stores	4.750%	08/15/10	15,092.20	15,590.36
40,000.000	FNMA #899509	5.500%	05/01/37	34,431.00	36,022.09
40,000.000	FNMA #919604	5.000%	07/01/37	36,871.00	39,455.71
38,609.000	GNMA #658182	6.000%	11/15/36	28,256.00	28,630.99
4,000.000	Blackrock Income Opportunity TR	-	-	45,172.00	33,800.00
350.000	Cohen & Steers REIT	-	-	7,238.00	2,173.50
7,200.000	Putnam Premier Income Trust	-	-	46,118.72	27,864.00
2,300.000	Western Asset Premier BD FD	-	-	35,372.20	20,470.00
2,563.838	American EuroPacific Growth	-	-	95,695.00	71,479.80
1,116.307	Muhlenkamp Fund	-	-	90,598.00	43,089.45
500.000	Wisdomtree LargeCap Div	-	-	24,134.00	18,170.00

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
EIN: 31-1483173
PLAN NUMBER: 003
SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
(HELD AT YEAR END)
DECEMBER 31, 2008

<u>QTY/ UNITS</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>TOTAL COST</u>	<u>MARKET VALUE</u>
250.000	Abbott Laboratories	-	-	11,020.00	13,342.50
250.000	Amgen Inc.	-	-	16,646.98	14,437.50
200.000	Avon Products Inc.	-	-	6,001.00	4,806.00
1,200.000	Boston Scientific Corp.	-	-	17,685.99	9,288.00
150.000	BP P.L.C. Sponsored ADR	-	-	10,402.11	7,011.00
150.000	Canadian Natural Resources	-	-	10,799.00	5,997.00
225.000	Chevron Corporation	-	-	13,026.00	16,643.25
250.000	ConocoPhillips	-	-	16,411.12	12,950.00
800.000	Dell Inc.	-	-	19,987.95	8,192.00
200.000	Diageo PLC Sponsored ADR New	-	-	12,584.00	11,348.00
550.000	Dish Network Corp A	-	-	13,909.00	6,099.50
250.000	Dover Corp.	-	-	9,186.95	8,230.00
300.000	Encana Corporation	-	-	5,473.50	13,944.00
300.000	FedEx Corporation	-	-	23,138.00	19,245.00
100.000	Franklin Resources Inc.	-	-	7,374.00	6,378.00
800.000	General Electric Co.	-	-	24,917.00	12,960.00
1,225.000	Intel Corp.	-	-	23,808.00	17,958.50
500.000	Kansas City Southern	-	-	6,212.19	9,525.00
225.000	Kimberly-Clark Corp.	-	-	13,958.78	11,866.50
100.000	L-3 Communications Holdings	-	-	9,058.00	7,378.00
1,000.000	Lowes Companies Inc.	-	-	25,681.00	21,520.00
450.000	McCormick & Co.	-	-	15,337.00	14,337.00
200.000	Medtronic Inc.	-	-	9,423.00	6,284.00
800.000	Microsoft Corporation	-	-	21,792.00	15,552.00
800.000	Nokia Corporation Sponsored ADR	-	-	14,784.00	12,480.00
300.000	Pfizer Inc.	-	-	7,419.66	5,313.00
300.000	Questar Corp.	-	-	6,097.50	9,807.00
70.000	Rio Tinto PLC-Sponsored ADR	-	-	7,092.19	6,223.70
125.000	E.W. Scripps Company	-	-	1,185.00	276.25
375.000	Scripps Networks Interactive	-	-	14,244.00	8,250.00
1,600.000	Sprint Nextel Corporation	-	-	20,714.00	2,928.00
175.000	State Street Corp.	-	-	6,595.00	6,882.75
600.000	Sysco Corporation	-	-	16,863.00	13,764.00

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
EIN: 31-1483173
PLAN NUMBER: 003
SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
(HELD AT YEAR END)
DECEMBER 31, 2008

<u>QTY/ UNITS</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>TOTAL COST</u>	<u>MARKET VALUE</u>
475.000	Target Corporation	-	-	23,080.00	16,401.75
400.000	Time Warner Inc.	-	-	7,030.00	4,024.00
175.000	Tyco Electronics Ltd.	-	-	5,422.88	2,836.75
800.000	UTI Worldwide Inc.	-	-	14,891.00	11,472.00
500.000	Walt Disney Co.	-	-	11,945.42	11,345.00
275.000	Wells Fargo Company	-	-	8,809.00	8,107.00
900.000	Western Union Co.	-	-	15,880.00	12,906.00

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
EIN: 31-1483173
PLAN NUMBER: 003
SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
ACQUIRED AND DISPOSED OF (HELD AT END OF YEAR)
DECEMBER 31, 2009

<u>SECURITY DESCRIPTION</u>	<u>QTY/ UNITS</u>	<u>ACQUISITION COST</u>
PURCHASES		
MetLife Incorporated	10,000.00	10,352.40
Cisco Systems Inc.	425.00	6,830.94
United Technologies Corp.	200.00	8,851.07
Nokia Corporation Sponsored ADR	155.00	1,415.35
American Europacific Growth Fund CI	621.00	17,000.00
Avon Products Inc.	600.00	13,207.95
Franklin Resources	200.00	11,941.95
BP P.L.C. Sponsored ADR	300.00	11,951.94
Boston Scientific Corp.	800.00	7,183.95
Canadian Natural Resources LTD	300.00	13,239.96
ConocoPhillips	225.00	9,068.70
Cisco Systems Inc.	575.00	10,282.63
Dell Inc.	800.00	8,663.07
Diageo PLC Sponsored ADR New	275.00	12,525.95
Walt Disney Co.	500.00	9,972.95
L-3 Communications Holdings Inc.	150.00	10,732.95
Medtronic Inc.	375.00	11,721.19
Microsoft Corporation	200.00	3,913.75
Scripps Networks Interactive	300.00	7,852.95
UTI Worldwide Inc.	500.00	6,887.45
United Technologies Corp.	275.00	13,049.44
Autozone Inc.	10,000.00	9,530.00
Wal-Mart Stores Incorporated	15,000.00	15,982.20
State Street Corp.	15,000.00	15,162.45
Bank of New York Mellon	10,000.00	10,397.50
Franklin Resources	25.00	1,562.82
U.S. Treasury Infl Index Note	10,045.00	9,938.20
U.S. Treasury Inflation Index Note	9,846.00	9,637.11
Goldman Sachs Group Inc.	10,000.00	10,328.50
Marathon Oil Corp.	10,000.00	10,671.90
Medtronic Inc.	75.00	2,425.28
Dominion Resources Inc.	10,000.00	10,416.30
Abbott Laboratories	200.00	8,873.75

**BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN**

EIN: 31-1483173

PLAN NUMBER: 003

**SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
ACQUIRED AND DISPOSED OF (HELD AT END OF YEAR)
DECEMBER 31, 2009**

<u>SECURITY DESCRIPTION</u>	<u>QTY/ UNITS</u>	<u>ACQUISITION COST</u>
Amgen Inc.	150.00	7,542.15
State Street Corp.	175.00	7,746.28
Wells Fargo Company	275.00	6,967.93
Mastercard Inc-Class A	75.00	12,076.07
Procter & Gamble Co.	325.00	17,027.58
Verizon Communications	725.00	21,908.17
U.S. Treasury Note	35,000.00	34,840.04
U.S. Treasury Strips	20,000.00	18,706.00
Home Depot Incorporated	15,000.00	15,557.50
Avon Products Inc.	15,000.00	16,438.20
Cisco Systems Inc.	15,000.00	16,471.95
McDonalds Corporation	325.00	18,038.85
Australian Government	15,000.00	13,278.96
Duke Energy Corp.	15,000.00	15,281.65
American Express Corporation	15,000.00	15,533.85
Aecom Technology Corp.	700.00	18,489.21
Cullen Frost Bankers Inc.	275.00	13,160.49
Baxter International Inc.	450.00	24,521.93
Walgreen Company	15,000.00	16,354.35
AT & T Inc.	15,000.00	16,186.95
Transocean Inc.	10,000.00	9,772.50
Verizon Communications	15,000.00	15,961.15
American Europacific Growth	60.00	2,303.83
Muhlenkamp Fund	1.00	74.99

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
EIN: 31-1483173
PLAN NUMBER: 003
SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
ACQUIRED AND DISPOSED OF (HELD AT END OF YEAR)
DECEMBER 31, 2009

<u>SECURITY DESCRIPTION</u>	<u>QTY/ UNITS</u>	<u>PROCEEDS</u>
SALES		
McCormick & Co.	225.00	7,213.71
Dover Corp.	125.00	3,368.96
Pfizer Inc.	300.00	4,137.63
Time Warner Inc.	400.00	2,912.03
Blackrock Income Opportunity Trust	3,000.00	25,231.80
Tyco Electronics LTD	175.00	1,406.99
E.W. Scripps Company	125.00	218.33
Wal-Mart Stores Incorporated	15,000.00	15,641.60
FNMA #899509	31,752.00	32,982.27
Target Corp	125.00	5,134.24
Rio Tinto PLC-Capital Gain	1.00	1,598.27
General Electric Co.	800.00	9,178.53
Federal Home Loan Mortgage	15,000.00	15,423.95
Federal National Mortgage	15,000.00	15,498.00
Home Depot Inc.	15,000.00	15,606.50
Amgen Inc.	150.00	8,851.68
Franklin Resources	100.00	9,084.47
FedEx Corp.	125.00	9,297.14
Intel Corp.	300.00	5,694.09
Medtronic Inc.	300.00	11,858.66
Sysco Corp.	600.00	16,192.05
SBC Communications	15,000.00	15,630.20
HSBC Finance Corp.	10,000.00	9,052.00

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DECEMBER 31, 2008

<u>SECURITY DESCRIPTION</u>	<u>QTY/ UNITS</u>	<u>ACQUISITION COST</u>
PURCHASES		
Target Corp.	325.00	16,336.54
Cohen & Steers REIT	350.00	7,238.29
Medtronic Inc.	200.00	9,423.49
McCormick & Co.	450.00	15,336.57
Microsoft Corporation	350.00	9,982.95
Sysco Corporation	450.00	12,590.76
Abbott Laboratories	100.00	5,206.08
American International Group Inc.	175.00	6,868.55
Citigroup Inc.	300.00	6,969.93
Wells Fargo Company	125.00	3,610.51
ConocoPhillips	15,000.00	15,304.15
GN #658182	30,000.00	30,610.37
Kroger Company	15,000.00	15,321.70
L-3 Communications Holdings Inc.	100.00	9,057.95
American International Group Inc.	400.00	10,615.15
Wisdomtree Large Cap Div Exch	500.00	24,133.95
FedEx Corp.	300.00	23,137.95
General Electric Co.	400.00	11,331.15
Lowes Companies Inc.	500.00	10,181.95
Microsoft Corporation	250.00	6,367.45
Nokia Corporation Sponsored ADR	200.00	5,413.55
Sprint Nextel Corporation	800.00	6,471.95
Sysco Corp.	150.00	4,272.15
Target Corp.	150.00	6,743.85
UTI Worldwide Inc.	150.00	2,695.80
Abbott Laboratories	15,000.00	15,130.74
General Dynamics Corporation	15,000.00	15,399.00
General Electric Capital Corporation	15,000.00	15,306.55
Home Depot Inc.	15,000.00	15,009.58
Berkshire Hathaway Finance Corp.	15,000.00	15,162.69
John Deere Capital Corp.	15,000.00	15,313.90
Canadian Natural Resources LTD	150.00	10,798.56

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DECEMBER 31, 2008

<u>SECURITY DESCRIPTION</u>	<u>QTY/ UNITS</u>	<u>ACQUISITION COST</u>
Western Union Co.	450.00	6,540.96
American EuroPacific Growth Fund Cl F	190.00	5,109.86
Diageo PLC Sponsored ADR New	200.00	12,583.99
Franklin Resources	100.00	7,373.75
Intel Corp.	225.00	3,858.40
Muhlenkamp Fund	4.00	157.89
State Street Corp.	175.00	6,594.85

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DECEMBER 31, 2008

<u>SECURITY DESCRIPTION</u>	<u>QTY/ UNITS</u>	<u>PROCEEDS</u>
SALES		
Countrywide Home Loans Inc.	15,000.00	12,065.00
McDonalds Corporation	279.00	14,997.14
Nabors Industries LTD	550.00	15,951.44
Echostar Corporation A	110.00	3,727.59
Federal Home Loan Mortgage	15,000.00	15,000.00
SLM Corporation	15,000.00	15,000.00
Capital One Financial Corporation	200.00	10,339.53
Fannie Mae	150.00	4,379.22
General Dynamics Corporation	15,000.00	15,000.00
DaimlerChrysler North America	15,000.00	15,000.00
Lehman Brothers Holdings	15,000.00	14,919.20
Tyco International LTD	175.00	6,828.96
Western Union Co.	450.00	11,280.32
Avon Products Inc.	200.00	7,462.06
Wells Fargo Company	250.00	7,898.38
Citigroup Inc.	650.00	8,307.32
American International Group Inc.	800.00	1,370.04
PMI Group Inc.	800.00	1,136.60
Western Asset Premier BD FD	2,300.00	20,206.63