

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>07/01/2009</u> and ending <u>06/30/2010</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>SENECA MEDICAL, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST</u>	1b Three-digit plan number (PN) ▶	<u>002</u>	
	1c Effective date of plan	<u>07/01/1998</u>	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>SENECA MEDICAL, INC.</u> <u>P.O. BOX 399</u> <u>TIFFIN, OH 44883-0399</u>	2b Employer Identification Number (EIN) <u>34-1633185</u>	2c Sponsor's telephone number <u>419-447-0222</u>	2d Business code (see instructions) <u>424990</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.	01/26/2011	TODD R. HOWELL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	01/26/2011	TODD R. HOWELL
	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") SENECA MEDICAL, INC. P.O. BOX 399 TIFFIN, OH 44883-0399	3b Administrator's EIN 34-1633185 3c Administrator's telephone number 419-447-0222
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	568
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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	463
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	83
d Subtotal. Add lines 6a , 6b , and 6c	6d	546
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	1
f Total. Add lines 6d and 6e	6f	547
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	531
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	41

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:
 2I 2O

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 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 07/01/2009 and ending 06/30/2010		
A Name of plan SENECA MEDICAL, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 SENECA MEDICAL, INC.	D Employer Identification Number (EIN) 34-1633185	

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		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		195165
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(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)		1021935
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	23611892	23675704
(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	23611892	24892804

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	23611892	24892804
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Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1202000	
(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)		1202000

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	11569	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		11569

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	705718	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		705718
(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)		3521
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1922808

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	641896	
(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)		641896
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)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		641896

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1280912
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: GILMORE, JASION & MAHLER, LTD

(2) EIN: 34-1827159

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		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		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)

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 07/01/2009 and ending 06/30/2010

A Name of plan <u>SENECA MEDICAL, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SENECA MEDICAL, INC.</u>	D Employer Identification Number (EIN) <u>34-1633185</u>

Part I	Distributions
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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	<u>0</u>
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>34-1633185</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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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
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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.
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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): _____

**SENECA MEDICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE
FOR THE YEARS ENDED
JUNE 30, 2010 AND 2009**

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GILMORE, JASON & MAHLER, LTD

INDEPENDENT AUDITORS' REPORT

Plan Administrator
Seneca Medical, Inc.
Employee Stock Ownership Plan and Trust
Tiffin, Ohio

We have audited the accompanying statements of net assets available for benefits of Seneca Medical, Inc. Employee Stock Ownership Plan and Trust as of June 30, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Seneca Medical, Inc. Employee Stock Ownership Plan and Trust as of June 30, 2010 and 2009, and the changes in its net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year), as of June 30, 2010, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the United States Department of Labor's *Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974*. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Gilmore, Jason & Mahler, LTD

January 24, 2011

SENECA MEDICAL, INC.

2009

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SENECA MEDICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Years Ended June 30, 2010 and 2009

	2010			2009		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Additions:						
Net appreciation in fair value of investments	\$ 709,239	\$ 0	\$ 709,239	\$ 1,341,937	\$ 62,140	\$ 1,404,077
Dividends and interest	11,569		11,569			0
Employer contributions	1,202,000		1,202,000		761,244	761,244
Allocation of 20,721 shares of common stock of Seneca Medical, Inc., at fair value in 2009			0	1,045,374		1,045,374
Total additions	<u>1,922,808</u>	<u>0</u>	<u>1,922,808</u>	<u>2,387,311</u>	<u>823,384</u>	<u>3,210,695</u>
Deductions:						
Interest expense			0		11,235	11,235
Allocation of 20,721 shares of common stock of Seneca Medical, Inc., at fair value in 2009			0			
Participant distributions	641,896		641,896	604,974	1,045,374	1,045,374
Total deductions	<u>641,896</u>	<u>0</u>	<u>641,896</u>	<u>604,974</u>	<u>1,056,609</u>	<u>604,974</u>
Net increase	<u>1,280,912</u>	<u>0</u>	<u>1,280,912</u>	<u>1,782,337</u>	<u>(233,225)</u>	<u>1,661,583</u>
						<u>1,549,112</u>
Net assets available for benefits:						
Beginning of year	<u>23,611,892</u>	<u>0</u>	<u>23,611,892</u>	<u>21,829,555</u>	<u>233,225</u>	<u>22,062,780</u>
End of year	<u>\$ 24,892,804</u>	<u>\$ 0</u>	<u>\$ 24,892,804</u>	<u>\$ 23,611,892</u>	<u>\$ 0</u>	<u>\$ 23,611,892</u>

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

SENECA MEDICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

Note 1—Plan description and basis of presentation

Seneca Medical, Inc. (the Company or Plan Sponsor) established the Seneca Medical, Inc. Employee Stock Ownership Plan and Trust (the Plan) effective as of July 1, 1998. The Plan operates as an internally leveraged employee stock ownership plan (ESOP), and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986 as amended (Code) and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by the Plan Trustees.

The Plan purchased the shares of the Company's common stock using the proceeds of two loans totaling \$8,009,400 from the Company, and holds the stock in a trust established under the Plan. The last loan payment was made in April 2009, and was paid with funds available from the fully deductible Company contributions to the trust fund. As the Plan made payments of principal, an appropriate percentage of shares of the Company's common stock was allocated to eligible participants' accounts in accordance with applicable regulations under the Code. Shares were allocated to participants' accounts annually as of the Plan year-end. Allocated shares vest based upon a graduated vesting schedule, with full vesting after six years of credited service.

The loans were collateralized by the unallocated shares of Company common stock. The Company has no rights against shares once they are allocated under the ESOP. As of June 30, 2010 and 2009 all of the Company's shares have been allocated; however, since certain activity occurred during 2009, the financial statements of the Plan as of and for the year ended June 30, 2009 present separately the assets and liabilities and changes therein pertaining to:

- (a) the accounts of participants with rights in allocated Company common stock (allocated)
- (b) Company common stock not yet allocated to the participants (unallocated)

Employees of the Company are generally eligible to participate in the Plan after one year of service providing they worked at least 500 hours during such plan year. Employees who do not have at least 500 hours of service during a plan year or are not employed on the last working day of a plan year are generally not eligible for an allocation of Company contributions for such year.

No distributions from the Plan will be made until a participant retires, dies (in which case, payment shall be made to his or her beneficiary, or, if none, his or her legal representatives), or otherwise terminates employment with the Company. Distributions are made in the form of either a lump sum payment or equal installment payments over a given period, at the discretion of the Company. The benefit to which a participant is entitled is the benefit that can be provided from the vested value of the participants' account.

Effective July 1, 2008, the Plan was amended to permit the participants to directly transfer up to 25% of their account balance from Seneca Medical, Inc. Employee Stock Ownership Plan to the Seneca Medical, Inc. 401(k) Plan. To be eligible to transfer funds, the participant must be 55 years old and completed 10 years of service. This diversification occurs at the end of each plan year.

SENECA MEDICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2010 and 2009

Note 1—Plan description and basis of presentation—continued

Participants become vested in the Company's contributions plus actual earning (losses) over a six year period as described below:

<u>Credited Service</u>	<u>Vested Percentage</u>
Less than 3 years	0%
3 years but less than 4 years	20%
4 years but less than 5 years	40%
5 years but less than 6 years	60%
6 years but less than 7 years	80%
7 years or more	100%

Forfeited balances of terminated participant accounts are allocated as an additional Company contribution.

The Plan Trustees are responsible for voting the Company common stock held by the ESOP, although, in certain circumstances, participants will be notified they have the right to direct the vote of the Trustee.

The Company reserves the right to terminate the Plan at any time, subject to the Plan and ERISA provisions. Under such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the Code. Upon termination of the Plan, the Trustees will pay all liabilities and expenses of the Plan. In addition, all allocated amounts become 100% vested and any remaining unallocated shares shall be allocated to the accounts of all participants in accordance with the provisions of the Plan document.

Note 2—Summary of significant accounting policies

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment valuation

The common stock of the Company is valued at fair value, as determined by independent appraisals as of June 30, 2010 and 2009.

Investments in mutual funds and exchange traded funds are valued at quoted market prices which represent the net asset value of shares held by the Plan at year-end. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis.

SENECA MEDICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2010 and 2009

Note 2—Summary of significant accounting policies—continued

Subsequent events

The Organization has evaluated all events subsequent to the statement of net assets available for benefits date of June 30, 2010, through January 24, 2011, which is the date these financial statements were ready to be issued, and have determined there were no subsequent events that require disclosure under FASB ASC Topic 855, *Subsequent Events*.

Note 3—Investments

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, "Fair Value Measurements" defines fair value, establishes a framework on measuring fair value, establishes a fair value hierarchy on the quality of inputs used to measure fair value, and enhances disclosure requirements for fair value measurements. The Plan accounts for certain financial assets at fair value under various accounting literature.

In accordance with the standard, the Plan has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into the three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within the different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the Statement of Net Assets Available for Benefits are categorized based on the inputs to the valuation techniques as follows:

- Level 1. Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Plan has the ability to access.
- Level 2. Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:
 - a. Quoted prices for similar assets or liabilities in active markets;
 - b. Quoted prices for identical or similar assets or liabilities in non-active markets;
 - c. Pricing models whose inputs are observable for substantially the full term of the asset or liability; and
 - d. Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation of other means for substantially the full term of the asset or liability.

SENECA MEDICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2010 and 2009

Note 3—Investments—continued

Level 3. Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

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

The following tables present the Plan's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis:

Description	Total June 30, 2010	Fair Value Measurements at June 30, 2010 Using		
		Quoted Prices in Active Markets for Identical Assets Level (1)	Significant Other Observable Inputs Level (2)	Significant Unobservable Inputs Level (3)
Seneca Medical, Inc. common stock	\$ 23,675,704	\$ 0	\$ 0	\$ 23,675,704
Mutual funds	899,095	899,095		
Exchange traded funds	122,840	122,840		
Total	<u>\$ 24,697,639</u>	<u>\$ 1,021,935</u>	<u>\$ 0</u>	<u>\$ 23,675,704</u>

Description	Total June 30, 2009	Fair Value Measurements at June 30, 2009 Using		
		Quoted Prices in Active Markets for Identical Assets Level (1)	Significant Other Observable Inputs Level (2)	Significant Unobservable Inputs Level (3)
Seneca Medical, Inc. common stock	\$ 23,611,892	\$ 0	\$ 0	\$ 23,611,892
Total	<u>\$ 23,611,892</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,611,892</u>

SENECA MEDICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2010 and 2009

Note 3—Investments—continued

The following table presents a reconciliation of beginning and ending balances of fair value measurements using significant unobservable inputs (Level 3) as of June 30, 2010 and 2009:

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Common Stock	
	2010	2009
Beginning balance	\$ 23,611,892	\$ 22,062,780
Purchases, sales, issuances and settlements (net)	63,812	1,549,112
Ending balance	<u>\$ 23,675,704</u>	<u>\$ 23,611,892</u>
The amount of total gains or losses for the period attributable to the change in unrealized gains or losses relating to assets still held at the reporting date		
	<u>\$ 705,718</u>	<u>\$ 1,404,077</u>

The following presents investments that represent 5% or more of the fair value of the Plan's assets:

	December 31,	
	2010	2009
Seneca Medical, Inc. common stock*	\$ 23,675,704	\$ 23,611,892
* Party in interest		

For the years ended June 30, 2010 and 2009, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	2010	2009
Investment in Seneca Medical, Inc. common stock, at fair value	\$ 705,718	\$ 1,404,077
Mutual funds	(347)	
Exchange traded funds	3,868	
	<u>\$ 709,239</u>	<u>\$ 1,404,077</u>

SENECA MEDICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2010 and 2009

Note 3—Investments—continued

The Plan's investment in Seneca Medical, Inc. common stock is as follows:

	<u>Allocated</u>	<u>Unallocated</u>
Number of shares:		
June 30, 2010	\$ 455,302	\$ 0
June 30, 2009	<u>\$ 468,025</u>	<u>\$ 0</u>
Cost:		
June 30, 2010	\$ 7,609,580	\$ 0
June 30, 2009	<u>\$ 7,791,844</u>	<u>\$ 0</u>
Market:		
June 30, 2010	\$ 23,675,704	\$ 0
June 30, 2009	<u>\$ 23,611,892</u>	<u>\$ 0</u>

Note 4—Income tax status

The Plan has received a determination letter from the Internal Revenue Service dated September 29, 2000, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. The Plan has been amended since receiving the determination letter. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax exempt.

Note 5—Administration of Plan assets

The Plan's investment in Company common stock is held in a trust established under the Plan.

Certain administrative functions are performed by officers or employees of Seneca Medical, Inc. without compensation from the Plan. Administrative expenses are paid directly by the Company.

Note 6—Note payable

In April 2006, the Plan entered into a \$3,000,000 loan agreement with the Company. The proceeds of the loan were used to purchase 87,713 shares of Seneca Medical, Inc. common stock. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over three years. The outstanding balance at June 30, 2010 and 2009 was \$0 and \$0, respectively. Interest was determined at an annual rate equal to the prime rate minus .50% to the prime rate depending on the Company's compliance with certain financial covenants.

SENECA MEDICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2010 and 2009

Note 7—Employer contributions

The Company was required to make an annual contribution, in cash, sufficient to satisfy the scheduled principal and interest payments on the note payable for the purchase of Company stock. In addition, the Company may make additional annual contributions to the ESOP in either cash or Company stock, at its discretion, and invest in non-participant directed investments. During fiscal year ended June 30, 2010, the Company made discretionary cash contributions for the plan amounting to \$1,202,000. Additionally for the year ended June 30, 2010, the Company purchased 12,723 shares of stock from the Plan totaling \$367,639 to fund participant distributions and \$274,257 to fund participant diversifications. For the year ended June 30, 2009, the Company purchased 12,750 shares of stock from the Plan totaling \$354,794 to fund participant distributions and \$250,179 to fund participant diversifications.

Note 8—Risk and uncertainties

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

SUPPLEMENTAL SCHEDULE

SENECA MEDICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
Employer Identification No.: 34-1633185 Plan No: 002
For the Year Ended June 30, 2010

(a)/(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest Collateral, Par and Maturity Value	(d) Cost	(e) Current Value
* Seneca Medical, Inc.	455,302 shares of common stock	\$ 7,609,580	\$ 23,675,704
	Mutual funds:		
JP Morgan	Core Bond Fund Select Class	293,306	300,928
PIMCO	Total Return Fund Institutional	174,424	179,324
Driehaus	Active Income Fund	121,000	120,035
American Funds	Growth Fund of America	67,982	65,052
Eaton Vance	Large Cap Value Fund	68,212	64,560
Thornburg	International Value Fund	52,960	50,818
American Funds	EuroPacific Growth Fund	53,027	49,370
Prudential Jennison	Mid-Cap Growth Fund	21,750	22,156
Perkins	Mid-Cap Value Fund Class I	21,729	21,481
Neuberger & Berman	Genesis Fund Institutional	12,901	12,865
Buffalo	Small-Cap Fund	12,906	12,506
	Total mutual funds	900,197	899,095
	Exchange traded funds:		
Barclays	TIPS Bond Fund	118,972	122,840
CAPTRUST	Cash	195,165	195,165
			<u>\$ 24,892,804</u>

* Party in interest

SENECA MEDICAL, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
Employer Identification No.: 34-1633185 Plan No: 002
For the Year Ended June 30, 2010

(a)/(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest Collateral, Par and Maturity Value	(d) Cost	(e) Current Value
* Seneca Medical, Inc.	455,302 shares of common stock	\$ 7,609,580	\$ 23,675,704
	Mutual funds:		
JP Morgan	Core Bond Fund Select Class	293,306	300,928
PIMCO	Total Return Fund Institutional	174,424	179,324
Driehaus	Active Income Fund	121,000	120,035
American Funds	Growth Fund of America	67,982	65,052
Eaton Vance	Large Cap Value Fund	68,212	64,560
Thornburg	International Value Fund	52,960	50,818
American Funds	EuroPacific Growth Fund	53,027	49,370
Prudential Jennison	Mid-Cap Growth Fund	21,750	22,156
Perkins	Mid-Cap Value Fund Class I	21,729	21,481
Neuberger & Berman	Genesis Fund Institutional	12,901	12,865
Buffalo	Small-Cap Fund	12,906	12,506
	Total mutual funds	900,197	899,095
	Exchange traded funds:		
Barclays	TIPS Bond Fund	118,972	122,840
CAPTRUST	Cash	195,165	195,165
			<u>\$ 24,892,804</u>

* Party in interest