

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</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>THE REDWOODS GROUP, INC. PROFIT SHARING 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>001</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>001</u>	1c Effective date of plan <u>01/01/2002</u>	
1b Three-digit plan number (PN) ▶	<u>001</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>THE REDWOODS GROUP, INC</u> <u>2801 SLATER ROAD</u> <u>MORRISVILLE, NC 27560</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>56-2087089</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>800-463-8546</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>524210</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>56-2087089</u>	2c Sponsor's telephone number <u>800-463-8546</u>	2d Business code (see instructions) <u>524210</u>	
2b Employer Identification Number (EIN) <u>56-2087089</u>					
2c Sponsor's telephone number <u>800-463-8546</u>					
2d Business code (see instructions) <u>524210</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.	08/18/2011	ERIN GARNEY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") THE REDWOODS GROUP, INC 2801 SLATER ROAD MORRISVILLE, NC 27560	3b Administrator's EIN 56-2087089 3c Administrator's telephone number 800-463-8546
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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	114
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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	80
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	24
d Subtotal. Add lines 6a , 6b , and 6c	6d	104
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	104
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	91
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	1

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2F 2G 2J 2K 3D

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

9a Plan funding arrangement (check all that apply)	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	(1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor

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

a Pension Schedules

- (1) ☒ **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 A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan THE REDWOODS GROUP, INC. PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500. THE REDWOODS GROUP, INC	D Employer Identification Number (EIN) 56-2087089	

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

(a) Name of insurance carrier
GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
84-0467907	68322	937144-01	91	01/01/2010	12/31/2010

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

(a) Total amount of commissions paid	(b) Total amount of fees paid

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

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

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

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

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

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

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

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(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

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

Part II Investment and Annuity Contract Information

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

4 Current value of plan's interest under this contract in the general account at year end	4	338448
5 Current value of plan's interest under this contract in separate accounts at year end	5	4495768

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

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

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
 (3) ☒ other (specify) ▶ **GROUP ANNUITY CONTRACT**

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
 (3) ☐ guaranteed investment (4) ☐ other ▶

b Balance at the end of the previous year	7b	268294
c Additions: (1) Contributions deposited during the year	7c(1)	65492
(2) Dividends and credits	7c(2)	0
(3) Interest credited during the year	7c(3)	7499
(4) Transferred from separate account	7c(4)	43164
(5) Other (specify below)	7c(5)	6812
▶ LOAN PAYMENTS, CONTRIBUTIONS TO FORFEITURE ACCOUNT		
(6) Total additions	7c(6)	122967
d Total of balance and additions (add b and c(6))	7d	391261
e Deductions:		
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	9963
(2) Administration charge made by carrier	7e(2)	-3025
(3) Transferred to separate account	7e(3)	45875
(4) Other (specify below)	7e(4)	
▶		
(5) Total deductions	7e(5)	52813
f Balance at the end of the current year (subtract e(5) from d)	7f	338448

Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	0
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	0
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

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

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

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

<div>A Name of plan</div> <div>THE REDWOODS GROUP, INC. PROFIT SHARING PLAN</div>	<div>B Three-digit plan number (PN)</div> <div>▶</div> <div>001</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500</div> <div>THE REDWOODS GROUP, INC</div>	<div>D Employer Identification Number (EIN)</div> <div>56-2087089</div>

Part I

Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

QUALIFIED RETIREMENT PLAN SVCS, INC

PO BOX 99163
RALEIGH, NC 27624-9163

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	CONTRACT ADMIN	0	Yes ☒ No ☐	Yes ☐ No ☒	1968	Yes ☐ No ☒

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

GREAT-WEST LIFE & ANNUITY COMPANY

8515 EAST ORCHARD ROAD
GREENWOOD VILLAGE, CO 80111

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64	RECORDKEEPER	1362	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
QUALIFIED RETIREMENT PLAN SVCS, INC	13	1968

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
GREA-WEST LIFE & ANNUITY COMPANY 8515 EAST ORCHARD ROAD GREENWOOD VILLAGE, CO 80111	TPA ALLOWANCE PAYMENT

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III	Termination Information on Accountants and Enrolled Actuaries (see instructions) (complete as many entries as needed)
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a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

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

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

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning **01/01/2010** and ending **12/31/2010**

A Name of plan THE REDWOODS GROUP, INC. PROFIT SHARING PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 THE REDWOODS GROUP, INC	D Employer Identification Number (EIN) 56-2087089	

Part I	Asset and Liability Statement
---------------	--------------------------------------

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	54716	53094
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)	3668283	4495768
(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)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	268294	338448
(15) Other	1c(15)		

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	3991293	4887310

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	3991293	4887310
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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)	248322	
(B) Participants	2a(1)(B)	324994	
(C) Others (including rollovers)	2a(1)(C)	7115	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		580431

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	7499	
(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)	2841	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		10340

(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)		
-----------------	--------------	--	--

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

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		515127
(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)		
c Other income.....	2c		3109
d Total income. Add all income amounts in column (b) and enter total.....	2d		1109007

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	211598	
(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)		211598
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)	1392	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		1392
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2112990

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		896017
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: JOHNSON LAMBERT AND COMPANY

(2) EIN: 52-1446779

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)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>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).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan THE REDWOODS GROUP, INC. PROFIT SHARING PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 THE REDWOODS GROUP, INC		D Employer Identification Number (EIN) 56-2087089
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.....		10
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): 84-0467907		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☐ No ☐ N/A		
If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____		
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.		
Schedule R (Form 5500) 2010 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): _____

Report of Independent Auditors

Trustees

The Redwoods Group, Inc. 401(k) Profit Sharing Plan

We were engaged to audit the accompanying statements of net assets available for benefits of The Redwoods Group, Inc. 401(k) Profit Sharing Plan ("the Plan") as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended, and the supplemental schedule of assets held for investment purposes at December 31, 2010 and schedule of reportable transactions for the year ended December 31, 2010. These financial statements and supplemental 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, as amended, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information described in Note D, which was certified by Great-West Life & Annuity Insurance Company, the custodian for the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan sponsor that the custodian holds the Plan's investment assets and executes investment transactions. The Plan sponsor has obtained a certification from the custodian as of December 31, 2010 and 2009 and for the years then ended, that the information provided to the Plan sponsor by the custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian, has 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, as amended.

Johnson Lambert & Co. LLP

Raleigh, North Carolina
August 9, 2011

The Redwoods Group, Inc. 401(k) Profit Sharing Plan

Statements of Net Assets Available for Benefits

	As of December 31,	
	<u>2010</u>	<u>2009</u>
Assets:		
Pooled separate account investments	\$ 4,495,768	\$ 3,668,283
Guaranteed portfolio fund	338,448	268,294
Notes receivable from participants	<u>53,094</u>	<u>54,716</u>
Net assets available for benefits	<u>\$ 4,887,310</u>	<u>\$ 3,991,293</u>

See accompanying notes to the financial statements.

The Redwoods Group, Inc. 401(k) Profit Sharing Plan

Statements of Changes in Net Assets Available for Benefits

	Year ended December 31,	
	2010	2009
Changes to net assets attributed to:		
Contributions:		
Participants	\$ 324,994	\$ 333,895
Participant rollovers	7,115	-
Employer	<u>248,322</u>	<u>262,753</u>
Total contributions	<u>580,431</u>	<u>596,648</u>
Investment and other income:		
Net realized and unrealized change in fair value of plan investments	515,127	814,913
Interest on guaranteed portfolio fund	7,499	8,325
Interest on participant loans	2,841	2,807
Other income	<u>3,109</u>	<u>-</u>
Total investment and other income	<u>528,576</u>	<u>826,045</u>
Total contributions and investment income	<u>1,109,007</u>	<u>1,422,693</u>
Deductions from net assets:		
Benefit payments	211,598	99,436
Loan administrative expenses	<u>1,392</u>	<u>750</u>
Total deductions from net assets	<u>212,990</u>	<u>100,186</u>
Net change in net assets available for benefits	896,017	1,322,507
Net assets available for benefits, beginning of year	<u>3,991,293</u>	<u>2,668,786</u>
Net assets available for benefits, end of year	<u>\$ 4,887,310</u>	<u>\$ 3,991,293</u>

See accompanying notes to the financial statements.

The Redwoods Group, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements

Years ended December 31, 2010 and 2009

Note A - Description of Plan

The following description of The Redwoods Group, Inc. 401(k) Profit Sharing Plan ("the Plan") provides only general information. Participants should refer to the summary plan description for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering all eligible employees of The Redwoods Group, Inc. ("the Sponsor" or "Plan Administrator"). The Sponsor is a managing underwriter of property, casualty, liability and workers' compensation insurance coverage provided by insurance carriers for the Company's programs for Young Men's Christian Associations, Jewish Community Centers and not-for-profit camps throughout the United States. Employees of the Sponsor, who have attained age 21, are eligible to begin participating in the Plan on the first day of the month following their employment date. The Plan permits eligible employees to make pre-tax deferrals to the Plan. The Plan was established on January 1, 2002, and is subject to the requirements of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

Great-West Life & Annuity Insurance Company ("Great-West") is the Plan's custodian. Pursuant to an agreement, Qualified Retirement Plan Services, Inc. provides specified regulatory compliance and administrative services to the Plan.

Contributions

Plan participants may contribute a portion of their compensation each Plan year, subject to certain limitations established by law. The Plan provides for matching contributions equal to 100% of employee salary deferrals that do not exceed 6% of compensation. In addition to the employees' salary deferrals and rollovers, the Sponsor may make the following discretionary contributions to the Plan: 1) matching contributions, 2) profit sharing contributions, 3) qualified non-elective contributions ("QNEC"). When the Plan sponsor elects to make profit sharing and QNEC contributions, amounts are allocated to each participant in proportion to the participant's compensation as compared to the total compensation of all participants eligible to share. There were no profit sharing or QNEC contributions in 2010 and 2009.

Investment of Assets

Participants direct their contributions and the Sponsor's contributions to one or more investment options provided by the Plan. Participant accounts are segregated for the purpose of determining gains and losses on the investments.

The Redwoods Group, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements (Continued)

Note A - Description of Plan (continued)

Vesting

Participants are 100% vested in their own salary deferrals, rollovers and QNEC's. A participant becomes fully vested in the Sponsor's matching and other discretionary profit sharing contributions after 3 years of service. The cumulative vesting schedule is 33.3% after one year, 66.7% after two years and 100% after three years of service. Forfeitures of non-vested participant accounts are used to reduce the Sponsor's contributions. During the years ended December 31, 2010 and 2009, \$5,211 and \$1,609, respectively, of forfeited non-vested accounts were used to reduce the Sponsor's contributions. At December 31, 2010 and 2009, there were no previously forfeited amounts available to offset future contributions.

Payment of benefits

Vested balances are available for distribution to participants upon death, disability, termination of employment or attainment of age 59½. Additionally, hardship withdrawals are permitted by the Plan, provided certain conditions are met. At December 31, 2010 and 2009, no benefit distributions had been requested by Plan participants that were not yet paid.

Notes receivables from participants

Plan participants are allowed to borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of the participant's vested account balance. Loan repayment terms for general purpose loans may not exceed five years and loan repayment terms for principal residence loans may not exceed fifteen years. A participant can have no more than two loans outstanding from the Plan at any time. The loans are secured by the balance in the participant's account and bear interest at a reasonable rate of interest charged for similar types of loans by other lenders. Principal and interest payments are withheld from participant wages through semi-monthly after-tax payroll deductions.

Plan termination

Although it has not expressed any intent to do so, the Sponsor has the right under the Plan to terminate the Plan subject to the provisions of ERISA. Upon termination, all amounts credited to participant accounts become 100% vested.

Note B - Significant Accounting Principles

Basis of accounting and use of estimates

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions which affect the reported amounts of net assets available for benefits at the date of the financial statements, disclosures of contingent assets and liabilities and the reported changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

The Redwoods Group, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements (Continued)

Note B - Significant Accounting Principles (continued)

Investment valuation and income recognition

In accordance with U.S. GAAP, investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. U.S. GAAP requires the statement of net assets available for benefits to present the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is to be prepared on a contract value basis. The Great-West guaranteed portfolio fund is a fully benefit-responsive contract and as of December 31, 2010 and 2009, fair value equaled contract value since the investment contract does not have a fair value adjustment upon discontinuance. Therefore, no adjustment from fair value to contract value is necessary.

In September 2010, the Financial Accounting Standards Board ("FASB") issued guidance which requires participant loans to be measured at the unpaid principal balance plus any accrued but unpaid interest, and to be classified as notes receivable from participants. Previously, participant loans were measured at fair value and classified as investments. This guidance is effective for fiscal years ending after December 15, 2010 and is required to be applied retrospectively. The adoption of this guidance did not have a material effect on the Plan's net assets available for benefits or the changes in net assets available for benefits. Participant loans have been reclassified to notes receivable from participants as of December 31, 2009.

Current U.S. GAAP guidance establishes a three-level hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1), the next priority to quoted prices for identical assets in inactive markets or similar assets in active markets (Level 2) and the lowest priority to unobservable inputs (Level 3).

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

The Plan's investments are stated at fair value. Investments in pooled separate accounts ("PSAs") are stated at estimated fair value, which have been determined based on the unit values of each PSA. Unit values are determined by Great-West by dividing the PSA net assets at fair value on the valuation date by the units outstanding at each valuation date. These are deemed to be Level 2 investments under U.S. GAAP. The Great-West guaranteed portfolio fund is similar in concept to a bank certificate of deposit with a guaranteed interest rate determined quarterly by Great-West.

The Redwoods Group, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements (Continued)

Note B - Significant Accounting Principles (continued)

Investment valuation and income recognition (continued)

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

Subsequent Events

The Plan evaluates subsequent events for matters that require recognition or disclosure in the Plan's financial statements. Subsequent events have been evaluated through August 9, 2011.

Note C - Income Tax Status

The Plan is a prototype plan for which the IRS has issued a determination letter as to the acceptability of the Plan's form under the Internal Revenue Code ("IRC"). The Plan is relying on that determination and has not applied for a separate determination letter. Accordingly, no provision for income taxes has been included in the Plan's financial statements. Although the Plan has been amended since its formation, the Plan administrator believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure of the financial statements. Tax returns filed within the past three years are subject to examination. There are no examinations currently being conducted.

Note D - Information Certified by Plan Custodian

In accordance with Section 2520.203-8 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 has received certification from the Great-West as to the accuracy and completeness of investment and notes receivable from participants information presented in the accompanying statements of net assets available for benefits as of December 31, 2010 and 2009, statements of changes in net assets available for benefits for the years then ended, and the schedule of assets held for investment purposes at December 31, 2010 and the schedule of reportable transactions for the year ended December 31, 2010.

The Redwoods Group, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements (Continued)

Note E - Investments

With the exception of the guaranteed portfolio fund, a PSA is established for each investment option available to the Plan comprised only of publicly traded shares of the underlying mutual fund. The PSAs are held separate and apart from the general assets of Great-West and are exclusively for the benefit of Plan participants and beneficiaries. The value of each PSA is directly related to the quoted share price of each mutual fund. There are no liquidity or redemption restrictions on participant balances invested in PSAs.

The Great-West guaranteed portfolio fund is a fully benefit-responsive investment contract. Funds are invested in a commingled fashion with investments in Great-West's general account. The average yield earned for the Great-West guaranteed portfolio fund for the years ended December 31, 2010 and 2009 were 2.43% and 2.96%, respectively. The average yield earned with any applicable adjustment to reflect the actual interest rate credited to plan participants was 2.43% and 2.96% for the years ended December 31, 2010 and 2009, respectively. Crediting interest rates are determined by Great-West on a quarterly basis. Key factors that could influence future crediting rates are changes to market interest rates, changes in the market value of securities, changes in the duration of weighted average life of securities and deposits or withdrawals of investment contracts.

The fair values of individual investments that represent 5% or more of the Plan's total net assets available for benefits at December 31, are as follows:

	2010	2009
Pooled separate accounts		
Maxim Moderate Profile II	\$ 765,060	\$ 637,263
American Funds Euro Pacific Growth R3	368,253	362,932
Maxim Loomis Sayles Bond Portfolio	353,029	297,182
Maxim Aggressive Profile II	332,760	241,201
Maxim S&P 500 Index	294,676	229,134
Maxim T. Rowe Price Mid-Cap Growth	270,046	*
Oppenheimer Capital Appreciation A	268,072	224,722
American Funds Growth Fund of America R3	267,800	212,189
Fidelity Advisor Mid Cap T	*	199,610
Maxim T. Rowe Price Equity Income	*	199,575
Guaranteed Portfolio Fund	335,312	268,294

* Value less than 5% of net assets available for benefits

The Redwoods Group, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements (Continued)

Note E - Investments (continued)

The major components of net realized and unrealized change in fair value of Plan investments, and interest on investments, during the year ended December 31, 2010 and 2009 were as follows:

<u>Year ended December 31, 2010:</u>	<u>Pooled separate accounts</u>	<u>Guaranteed portfolio fund</u>	<u>Total</u>
Net realized and unrealized change in fair value of plan investments	\$ 515,127	\$ -	\$ 515,127
Interest on investments	-	7,499	7,499
Total	<u>\$ 515,127</u>	<u>\$ 7,499</u>	<u>\$ 522,626</u>

<u>Year ended December 31, 2009:</u>	<u>Pooled separate accounts</u>	<u>Guaranteed portfolio fund</u>	<u>Total</u>
Net realized and unrealized change in fair value of plan investments	\$ 814,913	\$ -	\$ 814,913
Interest on investments	-	8,325	8,325
Total	<u>\$ 814,913</u>	<u>\$ 8,325</u>	<u>\$ 823,238</u>

The following table shows how the Plan's investments are categorized in accordance with the fair value hierarchy as of December 31, 2010 and 2009.

	<u>Assets at Fair Value as of December 31, 2010</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Pooled separate accounts				
Asset allocation	\$ -	\$ 1,224,074	\$ -	\$ 1,224,074
Large cap funds	-	1,136,627	-	1,136,627
Bond funds	-	725,072	-	725,072
International funds	-	667,220	-	667,220
Mid cap funds	-	518,996	-	518,996
Small cap funds	-	223,779	-	223,779
Guaranteed portfolio fund	-	-	338,448	338,448
	<u>\$ -</u>	<u>\$ 4,495,768</u>	<u>\$ 338,448</u>	<u>\$ 4,834,216</u>

The Redwoods Group, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements (Continued)

Note E - Investments (continued)

	Assets at Fair Value as of December 31, 2009			
	Level 1	Level 2	Level 3	Total
Pooled separate accounts				
Asset allocation	\$ -	\$ 973,877	\$ -	\$ 973,877
Large cap funds	-	933,745	-	933,745
Bond funds	-	642,206	-	642,206
International funds	-	610,376	-	610,376
Mid cap funds	-	364,837	-	364,837
Small cap funds	-	143,242	-	143,242
Guaranteed portfolio fund	-	-	268,294	268,294
	<u>\$ -</u>	<u>\$ 3,668,283</u>	<u>\$ 268,294</u>	<u>\$ 3,936,577</u>

Below is a reconciliation of activity for the Level 3 investments during the year ended December 31, 2010.

Guaranteed portfolio fund:

Balance, January 1, 2009	\$ 264,909
Contributions	48,409
Transfers in	302
Interest	8,325
Transfers out	(51,345)
Fees/withdrawals	(2,306)
Balance, December 31, 2009	268,294
Contributions/rollovers	70,330
Transfers in	43,164
Interest	7,499
Transfers out	(40,664)
Fees/withdrawals	(10,175)
Balance, December 31, 2010	<u>\$ 338,448</u>

Pooled Separate Accounts

The investment strategies of the pooled separate accounts at December 31, 2010 and 2009 are summarized below. At December 31, 2010 and 2009, there were no unfunded commitments for the pooled separate accounts and the redemption frequency was daily with no notice required for redemption.

American Funds Europacific Growth R3

The investment seeks to provide long-term growth of capital. The fund invests primarily in common stocks of issuers in Europe and the Pacific Basin that the investment adviser believes have the potential for growth. It normally invests at least 80% of net assets in securities of issuers in Europe and the Pacific Basin. The fund may invest a portion of its assets in common stocks and other securities of companies in countries with developing markets and may also hold cash, money market instruments and fixed-income securities.

The Redwoods Group, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements (Continued)

Note E - Investments (continued)

Pooled Separate Accounts (continued)

American Funds Growth Fund of Amer R3

The investment seeks capital growth by investing in common stocks. The fund primarily invests in common stocks and seeks to invest in companies that appear to offer superior opportunities for growth of capital. It may invest a portion of its assets in securities of issues domiciled outside the United States. The fund may also hold cash or money market instruments.

Columbia Diversified Equity Income R3

The investment seeks a high level of current income with a secondary consideration of steady growth of capital. The fund normally invests at least 80% of assets in dividend-paying common and preferred stocks. It may invest up to 25% of assets in foreign investments. The fund may invest in any economic sector and may emphasize one or more particular sectors.

Columbia Mid Cap Value R

The investment seeks to provide long-term growth of capital. The fund normally invests at least 80% of net assets in equity securities of companies that have market capitalizations in the range of the companies in the Russell Midcap Value Index at the time of purchase, that the Advisor believes are undervalued and that have the potential for long-term growth. It may invest up to 20% of total assets in foreign securities. The fund also may invest in real estate investment trusts.

Davis NY Venture R

The investment seeks long-term growth of capital. The fund invests the majority of the assets in equity securities issued by large companies with market capitalizations of at least \$10 billion. While it invests primarily in U.S. companies, the fund may also invest in foreign companies.

Fidelity Advisor Leveraged Co Stk - T

The investment seeks capital appreciation. The fund normally invests at least 80% of assets in stocks. It normally invests its assets primarily in common stocks of leveraged companies defined as companies that issue lower-quality debt and other companies with leveraged capital structures. The fund may also invest the fund's assets in lower-quality debt securities. It may invest the fund's assets in securities of foreign issuers in addition to securities of domestic issuers.

Invesco Van Kampen Comstock - R

The investment seeks capital growth and income. The fund primarily invests at least 80% of its net assets (plus any borrowing for investment purposes) in common stocks. It emphasizes a value style of seeking well-established, under-valued companies that have the potential for capital growth and income. The fund may invest up to 25% of total assets in foreign securities. It may invest up to 10% of total assets in real estate investment trusts. The fund may purchase and sell certain derivative instruments.

The Redwoods Group, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements (Continued)

Note E - Investments (continued)

Pooled Separate Accounts (continued)

Lord Abbett Value Opportunities A

The investment seeks long-term capital appreciation. The fund normally invests at least 65% of net assets in equity securities of small and mid-sized companies. It invests primarily in equity securities, value stocks, multi-national and foreign company securities and derivatives.

Marsico Focus

The investment seeks long-term growth of capital. The fund invests primarily in the common stocks of large companies that are selected for their long-term growth potential. It normally holds a core position of between 20 and 30 common stocks. The fund may invest without limitation in foreign securities. It is non-diversified.

Maxim Aggressive Profile II

The investment seeks capital appreciation. The fund mainly invests in equity portfolios of the Maxim Series Fund. It usually invests in underlying equity funds according to the following asset allocation ranges: 10% to 40% of assets in large-cap funds, 10% to 40% of assets in international funds, 15% to 45% of assets in mid-cap funds, 5% to 35% of assets in small-cap funds, 0% to 10% in bonds and 0% to 10% in short-term bonds.

Maxim Bond Index

The investment seeks to track the total return of the Barclays Capital Aggregate Bond Index. The fund primarily invests at least 80% of assets in debt securities of the Barclays Capital Aggregate Bond Index. It aims to replicate the return of the Barclay Capital Index utilizing sampling techniques designed to give the fund attributes comparable to the index. The fund may engage in futures and options trading.

Maxim Conservative Profile II

The investment seeks capital appreciation. The fund mainly invests in portfolios of the Maxim Series Fund. It usually invests assets in underlying funds according to the following asset allocation ranges: 0% to 15% of assets in large-cap funds, 0% to 15% of assets in international funds, 0% to 15% of assets in mid cap funds, 0% to 15% in small cap funds, 30% to 50% of assets in bonds and 25% to 45% of assets in short-term bonds.

Maxim Index 600

The investment seeks investment results that track the total return of the common stocks that comprise the S&P SmallCap(R) 600 Index. The fund invests 80% of net assets in common stocks of its benchmark index. It may also invest in a combination of stock ownership and owning futures contracts on the relevant index and options on futures contracts, and Exchange Traded Funds ("ETFs") that seek to track the relevant index.

The Redwoods Group, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements (Continued)

Note E - Investments (continued)

Pooled Separate Accounts (continued)

Maxim Loomis Sayles Bond Portfolio

The investment seeks high total return through a combination of current income and capital appreciation. The fund invests at least 80% of assets in corporate debt securities of any maturity. It may invest up to 20% of assets in foreign securities. The fund may also invest up to 35% of assets in securities below investment grade quality.

Maxim Moderate Profile II

The investment seeks capital appreciation. The fund mainly invests in portfolios of the Maxim Series Fund. It usually invests assets in underlying funds according to the following asset ranges: 0% to 30% of assets in international funds, 0% to 25% of assets in small cap funds, 0% to 30% of assets in mid cap funds, 15% to 45% in large cap funds, 5% to 25% in bonds and 5% to 25% in short-term bonds.

Maxim S & P 500 Index

The investment seeks investment results that track the total return of the common stocks that comprise the S&P 500(R) Index. The fund invests at least 80% of net assets in common stocks of the S&P 500(R) Index. It may invest in a combination of stock ownership and owning futures contracts on the relevant index and options on futures contracts, and Exchange Traded Funds ("ETFs") that seek to track the relevant index.

Maxim T. Rowe Price Equity Income

The investment seeks substantial dividend income and also long-term capital appreciation. The fund primarily invests at least 80% of net assets in the common stocks, with 65% in the common stocks of well established companies paying above average dividends. It may invest up to 25% of its total assets in foreign securities. It may also invest in fixed income securities without regard to quality, maturity, or rating, including up to 10% in non-investment grade fixed income securities.

Maxim T. Rowe Price Mid Cap Growth

The investment seeks long-term capital appreciation. The fund invests at least 80% of net assets (plus the amount of any borrowing for investment purposes) in the securities of issuers whose market capitalization fall within the range of companies included in either the S&P MidCap 400(R) Index or the Russell MidCap(R) Growth Index at the time of purchase. It may also invest up to 25% of assets in foreign securities. The Portfolio may also invest in fixed income securities without regard to quality, maturity, or rating, including up to 10% in non-investment grade fixed income securities.

The Redwoods Group, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements (Continued)

Note E - Investments (continued)

Pooled Separate Accounts (continued)

Maxim US Government Securities Fund

The investment seeks the highest level of return consistent with preservation of capital and substantial credit protection. The fund normally invests at least 80% of net assets in mortgage-related securities issued or guaranteed by the U.S. government or agencies or instrumentalities. It may invest in dollar rolls and/or mortgage dollar rolls with up to 20% of net assets. The fund may also invest in private mortgage pass-through securities and collateralized mortgage obligations.

MFS International Value R2

The investment seeks capital appreciation. The fund normally invests assets primarily in foreign equity securities, including emerging market equity securities. It may invest a relatively high percentage of the fund's assets in a single country or a small number of countries. The fund focuses on investing assets in the stocks of companies that it believes are undervalued compared to their perceived worth.

Nuveen Small Cap Select A

The investment seeks capital appreciation. The fund invests 80% of net assets (plus the amount of any borrowing for investment purposes) in common stocks of small capitalization companies, defined as companies that have market capitalizations of less than \$3 billion at the time of purchase. It may also invest up to 25% of assets, collectively, in non-dollar denominated and dollar-denominated equity securities of foreign issuers that are either listed on a U.S. stock exchange or represented by depositary receipts that may or may not be sponsored by a domestic bank.

Oppenheimer Capital Appreciation A

The investment seeks capital appreciation. The fund mainly invests in common stocks of growth companies whose earnings and stock prices are expected to increase at a faster rate than the overall market. These may be newer companies or established companies of any capitalization range that the portfolio manager believes may appreciate in value over the long term. It also invests in securities of U.S. issuers, but may also invest in foreign securities.

Oppenheimer Global A

The investment seeks capital appreciation. The fund invests mainly in common stocks of U.S. and foreign companies without limit in any country, including countries with developing or emerging markets. It currently emphasizes investments in developed markets such as the U.S., Western European countries and Japan. The fund does not limit investments in a particular capitalization range, but primarily invests in mid and large cap companies.

The Redwoods Group, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements (Continued)

Note E - Investments (continued)

Pooled Separate Accounts (continued)

Pimco Total Return Admin

The investment seeks maximum total return. The fund normally invests at least 65% of total assets in a diversified portfolio of fixed income instruments of varying maturities, which may be in the form of derivatives such as options, futures contracts or swap agreements. It invests primarily in investment grade debt securities, but may invest up to 10% of total assets in high-yield securities (junk bonds). The fund may also invest in mortgage or asset-backed securities.

Putnam International Capital Opportunities R

The investment seeks long-term capital appreciation. The fund normally invests in common stocks of companies outside the U.S. that the advisor believes have favorable investment potential. It primarily invests in equities of small to mid-capitalization issuers, however it can invest in companies of any size. The fund may also invest in securities issued in both developed and emerging markets.

Ridegworth Small Cap Growth Fund I

The investment seeks capital appreciation. The fund invest at least 80% of net assets in U.S. traded equity securities of small cap companies. U.S. traded equity securities may include American Depositary Receipts ("ADRs"). The sub-advisor considers small cap companies to be companies with market capitalizations similar to those of companies in the Russell 2000 Growth Index. In addition, to implement the investment strategy, the fund may buy or sell, to a limited extent, derivative instruments.

Royce Total Return K

The investment seeks long-term growth of capital and current income. The fund normally invests at least 65% of assets in equity securities. At least 90% of these securities may produce dividend or interest income to the fund, and at least 65% may be issued by companies with stock market capitalizations of less than \$2.5 billion at the time of investment. The fund may invest up to 25% of assets in the securities of foreign issuers.

Note F - Transactions with Parties - In - Interest

Plan investments include units of participation in pooled separate accounts and a guaranteed portfolio fund managed by Great-West. As discussed in Note A, Great-West is the custodian for the Plan and, therefore, these transactions qualify as party-in-interest transactions.

Certain administrative functions related to the Plan are performed by employees of the Sponsor. Neither the Sponsor nor the employees receive compensation from the Plan for these services. Additionally, certain expenses of the Plan; primarily audit, record-keeping, administrative and regulatory compliance fees, are paid directly by the Sponsor.

The Redwoods Group, Inc. 401(k) Profit Sharing Plan

Notes to Financial Statements (Continued)

Note G - Risks and Uncertainties

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

The Redwoods Group, Inc. 401(k) Profit Sharing Plan
Schedule H, Line 4j - Schedule of Reportable Transactions

December 31, 2010

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
<u>Identity of party involved</u>	<u>Description of asset</u>	<u>Purchase price</u>	<u>Selling price</u>	<u>Lease rental</u>	<u>Expense incurred with transaction</u>	<u>Cost of asset</u>	<u>Current value of asset on transaction date</u>	<u>Net gain or (loss)</u>
<u>Category (i) series of single transactions greater than 5%</u>								
Fidelity Advisor Mid Cap T	Mutual Fund	\$ -	\$ 216,526	N/A	\$ -	\$ 202,865	\$ 216,526	\$ 13,661
Maxim T. Rowe Price Mid-Cap Growth								
	Mutual Fund	\$ 216,526	\$ -	N/A	\$ -	\$ 216,526	\$ 216,526	\$ -

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2010</div> This Form is Open to Public Inspection
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Part I Annual Report Identification Information	
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</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 THE REDWOODS GROUP, INC. PROFIT SHARING PLAN 2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) THE REDWOODS GROUP, INC 2801 SLATER ROAD MORRISVILLE NC 27560	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">1b Three-digit plan number (PN) ▶</td> <td style="padding: 2px; text-align: center;">001</td> </tr> <tr> <td colspan="2" style="padding: 2px;">1c Effective date of plan 01/01/2002</td> </tr> <tr> <td colspan="2" style="padding: 2px;">2b Employer Identification Number (EIN) 56-2087089</td> </tr> <tr> <td colspan="2" style="padding: 2px;">2c Sponsor's telephone number 800-463-8546</td> </tr> <tr> <td colspan="2" style="padding: 2px;">2d Business code (see instructions) 524210</td> </tr> </table>	1b Three-digit plan number (PN) ▶	001	1c Effective date of plan 01/01/2002		2b Employer Identification Number (EIN) 56-2087089		2c Sponsor's telephone number 800-463-8546		2d Business code (see instructions) 524210	
1b Three-digit plan number (PN) ▶	001										
1c Effective date of plan 01/01/2002											
2b Employer Identification Number (EIN) 56-2087089											
2c Sponsor's telephone number 800-463-8546											
2d Business code (see instructions) 524210											

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	 Signature of plan administrator	<u>8/17/11</u> Date	ERIN GARNEY Enter name of individual signing as plan administrator
SIGN HERE	 Signature of employer/plan sponsor	 Date	 Enter name of individual signing as employer or plan sponsor
SIGN HERE	 Signature of DFE	 Date	 Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") THE REDWOODS GROUP, INC 2801 SLATER ROAD MORRISVILLE NC 27560	3b Administrator's EIN 56-2087089 <hr/> 3c Administrator's telephone number 800-463-8546
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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 <hr/> 4c PN
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5 Total number of participants at the beginning of the plan year	5	114
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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	80
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	24
d Subtotal. Add lines 6a, 6b, and 6c.....	6d	104
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e.....	6f	104
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	91
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	1

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

2E	2F	2G	2J	2K	3D
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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)	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	(1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor

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

a Pension Schedules	b General 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	(1) ☒ H (Financial Information) (2) ☐ I (Financial Information - Small Plan) (3) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

The Redwoods Group, Inc. 401(k) Profit Sharing Plan
Schedule H, Line 4i - Schedule of Assets Held for Investment Purposes at End of Year
(EIN: 56-2061548)
(PN: 001)

December 31, 2010

(a)	(b)	(c)	(d)	(e)
Identity of issuer, borrower, lessor, or similar party	Description of investment	Cost	Current Value	
* Great-West Life & Annuity Insurance Company				
Maxim Moderate Profile II	Pooled separate account	N/A	\$	765,060
American Funds Europacific Growth R3	Pooled separate account	N/A		368,253
Maxim Loomis Sayles Bond Portfolio	Pooled separate account	N/A		353,029
Guaranteed Portfolio Fund	Guaranteed interest account	N/A		338,446
Maxim Aggressive Profile II	Pooled separate account	N/A		332,760
Maxim S&P 500 Index	Pooled separate account	N/A		294,676
Maxim T. Rowe Price Mid-Cap Growth	Pooled separate account	N/A		270,046
Oppenheimer Capital Appreciation A	Pooled separate account	N/A		268,072
American Funds Growth Fund of America R3	Pooled separate account	N/A		267,800
Maxim T Rowe Price Equity Income	Pooled separate account	N/A		230,950
Maxim Bond Index	Pooled separate account	N/A		176,718
Pimco Total Return Admin	Pooled separate account	N/A		175,294
Oppenheimer Global A	Pooled separate account	N/A		150,003
MFS International Value R2	Pooled separate account	N/A		148,950
Lord Abbett Value Opportunities A	Pooled separate account	N/A		147,906
Maxim Conservative Profile II	Pooled separate account	N/A		126,253
Maxim Index 600	Pooled separate account	N/A		115,964
Ridgeworth Small Cap Growth Fund I	Pooled separate account	N/A		105,140
Columbia Mid Cap Value R	Pooled separate account	N/A		87,042
Marsico Focus	Pooled separate account	N/A		36,924
Maxim US Government Securities Fund	Pooled separate account	N/A		20,031
Columbia Diversified Equity Inc R3	Pooled separate account	N/A		16,445
Davis NY Venture R	Pooled separate account	N/A		15,762
Fidelity Advisor Leveraged Co STK - T	Pooled separate account	N/A		14,003
Invesco Van Kampen Comstock - R	Pooled separate account	N/A		5,999
Royce Total Return K	Pooled separate account	N/A		1,359
Nuveen Small Cap Select A	Pooled separate account	N/A		1,317
Putnam Int'l Capital Opportunities R	Pooled separate account	N/A		14
Total investments				4,834,216
* Notes receivable from participants	Interest rates 4.25% - 8.75%	N/A		53,094
Total assets held for investment purposes			\$	<u>4,887,310</u>

* - Represents party-in-interest to the Plan.

N/A - Cost information has not been included in column (d) because all investments are participant-directed.

Note - Above information was obtained or derived from information supplied to the Plan and certified as complete and accurate by Great-West Life & Annuity Insurance Company.