# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

**2010**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

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

**A** This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

**D** Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
VITAL SIGNS 401(K) SAVINGS AND PROTECTION PLAN

**1b** Three-digit plan number (PN) ▶ 003

**1c** Effective date of plan 10/01/1988

**2a** Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
VITAL SIGNS INC.

20 CAMPUS RD
TOTOWA, NJ 07512

20 CAMPUS RD
TOTOWA, NJ 07512

**2b** Employer Identification Number (EIN)
11-2279807

**2c** Sponsor's telephone number
973-790-1330

**2d** Business code (see instructions)
339110

**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. | 09/14/2011 | VINCENT SHURR |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

**3a** Plan administrator's name and address (if same as plan sponsor, enter "Same")
VITAL SIGNS INC.

20 CAMPUS RD
TOTOWA, NJ 07512

**3b** Administrator's EIN
11-2279807

**3c** Administrator's telephone number
973-790-1330

**4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

**a** Sponsor's name

**4b** EIN

**4c** PN

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 1181 |
| **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** | 840 |
| **b** | Retired or separated participants receiving benefits | **6b** | 1 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 201 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 1042 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 1 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 1043 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 724 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 0 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

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

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

**9a** Plan funding arrangement (check all that apply)

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

**9b** Plan benefit arrangement (check all that apply)

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

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

**a Pension Schedules**

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

**b General Schedules**

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

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2010**<br>**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
VITAL SIGNS 401(K) SAVINGS AND PROTECTION PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan sponsor's name as shown on line 2a of Form 5500
VITAL SIGNS INC.

**D** Employer Identification Number (EIN)
11-2279807

## Part I Service Provider Information (see instructions)

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

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

FID. INV. INST. OPS. CO.

04-2647786

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

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 64 65 37 60 | RECORDKEEPER | 7731 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] No [ ] |

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

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

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

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

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

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

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

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

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

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

## Part I Service Provider Information (continued)

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

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

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| ALLNZ NFJ DIV VAL AD - BOSTON FINAN<br><br>04-2526037 | 0.35% |

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

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| ALLNZ NFJ SMCPVAL AD - BOSTON FINAN<br><br>04-2526037 | 0.35% |

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

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| COL MID CAP VALUE Z - COLUMBIA MGT<br><br>04-2838628 | 0.35% |

## Part I Service Provider Information (continued)

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

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

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| MSIF MID CAP GRTH P - JPMORGAN INVE<br><br>22-2382028 | 0.35% |

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

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| PIMCO TOT RETURN ADM - BOSTON FINAN<br><br>04-2526037 | 0.25% |

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

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| RAINIER LARGE CAP EQ - US BANCORP F<br><br>39-0281260 | 0.40% |

## Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

# DFE/Participating Plan Information

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

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**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
VITAL SIGNS 401(K) SAVINGS AND PROTECTION PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
VITAL SIGNS INC.

**D** Employer Identification Number (EIN)
11-2279807

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

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

**a** Name of MTIA, CCT, PSA, or 103-12 IE: FID MGD INC PORT

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

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 04-3022712-024 | C | 6000465 |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **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
VITAL SIGNS 401(K) SAVINGS AND PROTECTION PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan sponsor's name as shown on line 2a of Form 5500
VITAL SIGNS INC.

**D** Employer Identification Number (EIN)
11-2279807

## 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) | 835320 | 791109 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 5855815 | 6000465 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 17543667 | 19282692 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **1d** Employer-related investments: | | | |
| **(1)** Employer securities | 1d(1) | | |
| **(2)** Employer real property | 1d(2) | | |
| **e** Buildings and other property used in plan operation | 1e | | |
| **f** Total assets (add all amounts in lines 1a through 1e) | 1f | 24234802 | 26074266 |
| **Liabilities** | | | |
| **g** Benefit claims payable | 1g | | |
| **h** Operating payables | 1h | | |
| **i** Acquisition indebtedness | 1i | | |
| **j** Other liabilities | 1j | | |
| **k** Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| **Net Assets** | | | |
| **l** Net assets (subtract line 1k from line 1f) | 1l | 24234802 | 26074266 |

## Part II Income and Expense Statement

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

| Income | | (a) Amount | (b) Total |
|---|---|---|---|
| **a Contributions:** | | | |
| **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 342238 | |
| **(B)** Participants | 2a(1)(B) | 1998194 | |
| **(C)** Others (including rollovers) | 2a(1)(C) | 159797 | |
| **(2)** Noncash contributions | 2a(2) | | |
| **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 2500229 |
| **b Earnings on investments:** | | | |
| **(1)** Interest: | | | |
| **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | | |
| **(B)** U.S. Government securities | 2b(1)(B) | | |
| **(C)** Corporate debt instruments | 2b(1)(C) | | |
| **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| **(E)** Participant loans | 2b(1)(E) | 42131 | |
| **(F)** Other | 2b(1)(F) | | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 42131 |
| **(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) | 391704 | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 391704 |
| **(3)** Rents | 2b(3) | | |
| **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| 2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate | 2b(5)(A) | | |
| (B) Other | 2b(5)(B) | | |
| (C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B) | 2b(5)(C) | | |
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | 237683 |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | 2262047 |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 5433794 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 3560838 | |
| (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) | | 3560838 |
| f Corrective distributions (see instructions) | 2f | | 24211 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | 1458 |
| h Interest expense | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | 7823 | |
| (5) Total administrative expenses. Add lines 2i(1) through (4) | 2i(5) | | 7823 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 3594330 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line 2j from line 2d | 2k | | 1839464 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

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

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

(1) Name: ROTHSTEIN KASS (2) EIN: 22-2131009

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

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

## Part IV Compliance Questions

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

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** | Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |
| **b** | Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 4b | | X | |
| **c** | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| **d** | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| **e** | Was this plan covered by a fidelity bond? | 4e | X | | 5000000 |
| **f** | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| **g** | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| **h** | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| **i** | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| **j** | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | | X | |
| **k** | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| **l** | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| **m** | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| **n** | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | X | |

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

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

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

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**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
VITAL SIGNS 401(K) SAVINGS AND PROTECTION PLAN

**B** Three-digit plan number (PN) ▶ 003

**C** Plan sponsor's name as shown on line 2a of Form 5500
VITAL SIGNS INC.

**D** Employer Identification Number (EIN)
11-2279807

## Part I Distributions

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

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 04-6568107

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

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

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

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

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

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

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

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

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

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

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

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

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

## Part III Amendments

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

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

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

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

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

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

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# VITAL SIGNS, INC. 401 (k) SAVINGS AND PROTECTION PLAN

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2010 AND 2009

# VITAL SIGNS, INC. 401 (k) SAVINGS AND PROTECTION PLAN

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Certified
Public
Accountants

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Beverly Hills
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Grand Cayman
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New York
Roseland
San Francisco
Walnut Creek

Rothstein Kass

# INDEPENDENT AUDITORS' REPORT

To the Participants and Administrator
Vital Signs, Inc. 401 (k) Savings and Protection Plan

We were engaged to audit the statements of net assets available for benefits of Vital Signs, Inc. 401 (k) Savings and Protection Plan (the "Plan") as of December 31, 2010 and 2009 and the related statement of changes in net assets available for benefits for the year ended December 31, 2010 and the supplemental schedule of assets as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of December 31, 2010 and 2009 and for the year ended December 31, 2010, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the 2010 financial statements and supplemental schedule, other than that derived from the information certified by the Trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Rothstein, Kass & Company, P.C.

Roseland, New Jersey
August 10, 2011

# VITAL SIGNS, INC. 401 (k) SAVINGS AND PROTECTION PLAN

## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

| December 31, | 2010 | 2009 |
|---|---|---|
| **ASSETS** | | |
| **Investments,** at fair value | | |
| Mutual funds | $ 19,282,692 | $ 17,543,668 |
| Common/collective trust | 6,000,465 | 5,855,815 |
| Total investments | 25,283,157 | 23,399,483 |
| **Receivables** | | |
| Employer's contributions | | 6,510 |
| Participants' contributions | | 34,941 |
| Participants' loans | 791,109 | 835,320 |
| Total receivables | 791,109 | 876,771 |
| Total assets | 26,074,266 | 24,276,254 |
| **LIABILITIES** | | |
| Excess contributions payable | | 24,211 |
| Total liabilities | | 24,211 |
| **Net assets reflecting all investments at fair value** | 26,074,266 | 24,252,043 |
| Adjustment from fair value to contract value for common/collective trust | (48,790) | 108,890 |
| **Net assets available for benefits** | $ 26,025,476 | $ 24,360,933 |

*See accompanying notes to financial statements.*

# VITAL SIGNS, INC. 401 (k) SAVINGS AND PROTECTION PLAN

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

**Year Ended December 31, 2010**

| | |
|---|---|
| **Additions to net assets attributable to:** | |
| **Investment income:** | |
| Net appreciation in fair value of mutual funds | $ 2,262,047 |
| Net appreciation in fair value of common/collective trust | 80,003 |
| Interest and dividends | 433,835 |
| Total investment income | 2,775,885 |
| **Contributions:** | |
| Participants' | 1,963,253 |
| Employer | 335,728 |
| Rollover | 159,797 |
| Total contributions | 2,458,778 |
| Total additions | 5,234,663 |
| **Deductions from net assets attributable to:** | |
| Distributions to participants | 3,562,297 |
| Administrative expenses | 7,823 |
| Total deductions | 3,570,120 |
| **Net increase in net assets available for benefits** | 1,664,543 |
| **Net assets available for benefits** | |
| Beginning of year | 24,360,933 |
| End of year | $ 26,025,476 |

*See accompanying notes to financial statements.*

# VITAL SIGNS, INC. 401 (k) SAVINGS AND PROTECTION PLAN

**NOTES TO FINANCIAL STATEMENTS**

## 1. Description of plan

The following description of the Vital Signs, Inc. 401 (k) Savings and Protection Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

*General*

The Plan is a defined contribution plan under Section 401(a) of the Internal Revenue Code ("IRC") covering all eligible employees (the "participants") of Vital Signs, Inc. and seven of its wholly-owned subsidiaries (collectively, the "Company"). The Plan, which was established effective October 1, 1985 and amended and restated on October 1, 2002, is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

*Eligibility*

All employees of the Company are eligible to participate in the Plan on the entry date following the completion of six months of service, as defined. The Plan does not cover employees who are members of a collective bargaining agreement or nonresident aliens.

*Contributions*

Participants may enter into a salary reduction agreement with the Company in an amount not greater than 80% of compensation, as defined, and not in excess of limits prescribed by the IRC.

Company matching contributions are 25% of the first 6% of deferred compensation, as defined, that each participant contributes. The Company may also make, at its discretion, additional contributions to the Plan. The combined contribution by the employee and the Company cannot exceed limits prescribed by the IRC. For the year ended December 31, 2010 there was no discretionary contribution.

*Participant Accounts*

Each participant's account is credited with the amount of the participant's salary reduction and an allocation of the (a) Company's contributions, (b) plan earnings (losses) and (c) administrative expenses (collectively "Accrued Benefits"). Allocations to a participant's account are made as defined in the Plan. Participants may change their investment options at any time. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

*Participants' Loans Receivable*

Participants may borrow from their accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their account balance. All loans bear a reasonable rate of interest as determined by the Plan administrator (which range between 3.25% and 9.25% per annum at December 31, 2010) and must be repaid in five years unless used for the purpose of the purchase of a participant's principal residence, in which case the loan must be repaid within a reasonable time commensurate with the repayment period permitted by commercial lenders for similar loans. The balance of the participant's vested account balance serves as collateral for the loan.

For the year ended December 31, 2010, $1,458 of participant loans were determined to be in default and have been accordingly classified as distributions.

**1. Description of plan (continued)**

*Vesting*

Participants are 100% vested in all salary reductions and Company contribution amounts credited to their accounts on their effective dates of participation, as defined.

*Payment of Benefits*

Except in the case of death, disability or financial hardship, as defined in the Plan, withdrawals are not permitted from a participant's account prior to either termination of employment or the reaching of age 59½.

At a participant's normal retirement (age 65) or disability date or upon death, the participant's entire account balance is available for distribution. Such distributions are made in the form of annuities unless otherwise elected by the participant.

**2. Summary of significant accounting policies**

*Basis of Accounting*

The accompanying financial statements of the Plan are prepared in compliance with the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA and the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America.

In accordance with Generally Accepted Accounting Principles ("GAAP"), investments in common/collective trusts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attributed for that portion of the net assets available for benefits of a defined-contribution plan attributable to common/collective trusts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Statements of Net Assets Available for Benefits present the fair value of the common/collective trusts as well as the adjustment of the common/collective trusts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America and the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, requires management to make significant estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein. Actual results could differ from those estimates.

**2. Summary of significant accounting policies (continued)**

*Valuation of Assets at Fair Value – Definition and Hierarchy*

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

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

Level 2 Inputs to the valuation methodology include:

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

If the assets or liabilities have a specified (contractual) term, Level 2 inputs must be observable for substantially the full term of the asset or liability.

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

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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2010.

Mutual funds: Valued at the net asset value ("NAV") of shares held by the Plan at year end.

Participants' loans receivable: Valued at amortized cost, which approximates fair value.

Common collective trust (managed income portfolio): Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit worthiness of the issuer.

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

**2. Summary of significant accounting policies (continued)**

*Payments of Benefits*

Benefits payments are recorded when paid.

*Administrative Expenses*

Certain administrative expenses are paid by the Company.

*Security Transactions and Investment Income*

Purchases and sales of securities are recorded on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on an accrual basis. Realized gains and losses are calculated as the difference between the proceeds from sales and the related investment's fair market value at the beginning of the plan year, or acquisition cost if acquired during the fiscal year. Unrealized appreciation and depreciation are calculated as the difference between the fair value of investments at the end of the year less their fair value at the beginning of the year, or acquisition cost if acquired during the fiscal year. The fair value of the guaranteed investment contract is calculated by discounting the related cash flows based on current yields of similar instruments with comparable durations.

*Reclassification*

Certain prior year amounts have been reclassified to conform with current year presentation.

**3. Fair value measurements**

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010.

| | Quoted Prices In Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Balance as of December 31, 2010 |
|---|---|---|---|---|
| **Mutual funds** | | | | |
| Balanced | $ 1,212,566 | $ - | $ - | $ 1,212,566 |
| Bond | 2,129,200 | | | 2,129,200 |
| International Equity | 2,901,072 | | | 2,901,072 |
| Large Blend | 227,859 | | | 227,859 |
| Large Growth | 2,502,193 | | | 2,502,193 |
| Large Value | 1,092,900 | | | 1,092,900 |
| Life Cycle | 4,557,304 | | | 4,557,304 |
| Mid Blend | 1,176,919 | | | 1,176,919 |
| Mid Growth | 1,819,196 | | | 1,819,196 |
| Mid Value | 44,045 | | | 44,045 |
| Small Growth | 98,731 | | | 98,731 |
| Small Value | 691,797 | | | 691,797 |
| Specialty | 828,910 | | | 828,910 |

**3. Fair value measurements (continued)**

| | Quoted Prices In Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Balance as of December 31, 2010 |
|---|---|---|---|---|
| **Common/collective trust** | | | | |
| Stable Value Fund | | 6,000,465 | | 6,000,465 |
| **Participants' loans** | | | 791,109 | 791,109 |
| Total assets at fair value | $ 19,282,692 | $ 6,000,465 | $ 791,109 | $ 26,074,266 |

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009.

| | Quoted Prices In Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Balance as of December 31, 2009 |
|---|---|---|---|---|
| **Mutual funds** | | | | |
| Balanced | $ 1,188,874 | $ - | $ - | $ 1,188,874 |
| Bond | 1,930,242 | | | 1,930,242 |
| International Equity | 2,713,437 | | | 2,713,437 |
| Large Blend | 144,947 | | | 144,947 |
| Large Growth | 2,504,176 | | | 2,504,176 |
| Large Value | 1,091,098 | | | 1,091,098 |
| Life Cycle | 4,178,281 | | | 4,178,281 |
| Mid Blend | 902,480 | | | 902,480 |
| Mid Growth | 1,508,733 | | | 1,508,733 |
| Mid Value | 26,622 | | | 26,622 |
| Small Growth | 81,430 | | | 81,430 |
| Small Value | 546,985 | | | 546,985 |
| Specialty | 726,363 | | | 726,363 |
| **Common/collective trust** | | | | |
| Stable Value Fund | | 5,855,815 | | 5,855,815 |
| **Patricipants' loans** | | | 835,320 | 835,320 |
| Total assets at fair value | $ 17,543,668 | $ 5,855,815 | $ 835,320 | $ 24,234,803 |

**3. Fair Value Measurements (continued)**

*Level 3 Investments*

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2010.

| | |
|---|---|
| Participants' loans receivable, beginning of year | $ 835,320 |
| Loans issued | 368,714 |
| Loans in default deemed distributed | (1,458) |
| Benefit payments | (114,654) |
| Loan repayments | (296,813) |
| Participants' loans receivable, end of year | $ 791,109 |

**4. Net appreciation in fair value of investments**

During 2010, the Plan's investments in mutual funds (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $2,262,047. During 2010, the Plan's investments in common/collective trusts (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $80,003.

**5. Income tax status**

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Department of Labor or 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 in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

The underlying nonstandard prototype plan has received an opinion letter from the Internal Revenue Service (IRS) dated October 9, 2003**,** stating that the form of the plan is qualified under Section 401(a) of the Code and, therefore, the related trust is tax-exempt. In accordance with Revenue Procedures 2006-6, the Plan sponsor has determined that it is eligible to and has chosen to rely on the current IRS prototype plan opinion letter. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

**6. Information prepared and certified by Trustee (unaudited)**

As of December 31, 2010 and 2009, the Company has elected the method of compliance permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the following information, included in the accompanying financial statements and supplemental schedule as of December 31, 2010 and 2009 and for the year ended December 31, 2010, was certified as completed and accurate by the Fidelity Management Trust Company (the "Trustee").

**6. Information prepared and certified by Trustee (unaudited) (continued)**

The following information represents the schedule of Plan assets at December 31, 2010 and 2009:

| | 2010 | | 2009 | |
|---|---|---|---|---|
| **Investment,** at fair value | | | | |
| PIMCO Total Return Admin | 1,213,615 | | 1,047,605 | |
| MSIF Mid Cap Growth Portfolio | 1,819,196 | ** | 1,508,733 | ** |
| COL Mid Cap Value Z | 44,045 | | 26,622 | |
| Allianz NFJ Dividend Value AD | 1,051,484 | | 1,022,821 | |
| Rainer Large Cap Equity | 2,344,774 | ** | 2,396,583 | ** |
| Allianz NFJ SMCPVAL AD | 606,555 | | 512,238 | |
| Fid Fidelity | 35,151 | | 63,352 | |
| Fidelity Capital and Income | 108,873 | | 43,507 | |
| Fidelity Government Income | 806,713 | | 839,131 | |
| Fid Sel Healthcare | 397,309 | | 331,076 | |
| Fid Sel Technology | 431,601 | | 395,287 | |
| Fid Leveraged Co Stock | 1,031,786 | | 874,472 | |
| Fid Balanced | 1,212,567 | | 1,188,874 | |
| Fid International Discovery | 2,169,803 | ** | 2,130,259 | ** |
| Fid Disciplined Equity | 36,385 | | 29,358 | |
| Fidelity Emerging Markets | 612,518 | | 526,097 | |
| Fidelity Growth Discovery | 157,419 | | 107,593 | |
| Fid Freedom Income | 22,590 | | 6,881 | |
| Fid Freedom 2000 | 140,687 | | 206,849 | |
| Fid Freedom 2010 | 270,536 | | 271,049 | |
| Fid Freedom 2020 | 711,590 | | 622,993 | |
| Fid Freedom 2030 | 1,511,750 | ** | 1,530,016 | ** |
| SPTN Extended Market Index | 145,134 | | 28,008 | |
| Spartan International Index | 118,750 | | 57,081 | |
| Spartan 500 Index | 156,322 | | 52,237 | |
| Fid Large Cap Value | 41,416 | | 68,277 | |
| Fid Freedom 2040 | 1,316,393 | ** | 1,256,325 | ** |
| Fid Freedom 2005 | 14 | | | |
| Fid Freedom 2015 | 21,411 | | 37,799 | |
| Fid Freedom 2025 | 240,313 | | 106,944 | |
| Fid Freedom 2035 | 94,850 | | 51,294 | |

**6. Information prepared and certified by Trustee (unaudited) (continued)**

| | 2010 | | 2009 | |
|---|---|---|---|---|
| **Investment**, at fair value | | | | |
| Fid Small Cap Growth | 98,731 | | 81,430 | |
| Fid Small Cap Value | 85,241 | | 34,747 | |
| Fid Freedom 2045 | 186,249 | | 73,765 | |
| Fid Freedom 2050 | 40,921 | | 14,365 | |
| | $ 19,282,692 | | $ 17,543,668 | |
| **Common Collective Trust**, at contract value | | | | |
| Fidelity Managed Income Portfolio | $ 5,951,675 | ** | $ 5,964,705 | ** |
| Participants' Loans Receivable | $ 791,109 | | $ 835,320 | |

** Investments that represent 5% or more of the Plan's net assets.

The following information represents investment earnings of the Plan for the year ended December 31, 2010:

| | |
|---|---|
| Net appreciation in fair value of investments | $ 2,342,050 |
| Interest and dividends | 433,835 |
| Total investment income | $ 2,775,885 |

**7. Party-in-interest**

Certain assets of the Plan invested with the Trustee as of December 31, 2010 and 2009 are considered party-in-interest investments. The Trustee is a party-in-interest as a provider of investment management and accounting services to the funds. These transactions are exempt from the prohibited transaction rules.

The Company provides certain administrative services to the Plan at no cost. The Plan’s administrator is the Company.

**8. Reconciliation of the financial statements to Schedule H of Form 5500**

The following is a reconciliation of net assets available for benefits per the financial statements to Schedule H of Form 5500 at December 31, 2010 and 2009:

| | 2010 | 2009 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 26,025,476 | $ 24,360,933 |
| Plus: Excess contributions payable | | 24,211 |
| Less: Adjustment from contract value to fair value | 48,790 | (108,890) |
| Less: Contributions receivable | | (41,451) |
| Net assets available for benefits per Schedule H of Form 5500 | $ 26,074,266 | $ 24,234,803 |

The following is a reconciliation of contributions from participants and employer per the financial statements to Schedule H of Form 5500 for the year ended December 31, 2010:

| | |
|---|---|
| Contributions from participants and employer per the financial statements | $ 2,458,778 |
| Plus: Decrease in contributions receivable | 41,451 |
| Contributions from participants and employer per Schedule H of Form 5500 | $ 2,500,229 |

**9. Plan termination**

Although it has not expressed any intent to do so, the Company reserves the right under the plan to discontinue its contributions at any time and to terminate or amend the Plan subject to the provisions set forth in ERISA. Upon such termination, participants' will become 100% vested in their accounts.

**10. Risk and uncertainties**

In the normal course of business, all of the Plan's assets are transacted with and held by its trustee. The Plan is subject to credit risk to the extent the Trustee is unable to fulfill contractual obligations on their behalf. The Company does not anticipate any losses from this counterparty.

The Plan provides for various investment options in mutual funds. These investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amount reported in the statements of net assets available for benefits and changes in net assets available for benefits.

**11. Subsequent events**

These financial statements were approved by management and available for issuance on August 10, 2011. Subsequent events have been evaluated through this date.

# VITAL SIGNS, INC. 401 (k) SAVINGS AND PROTECTION PLAN

**SUPPLEMENTAL INFORMATION**
**EIN: 04-2033129**
**PLAN NUMBER: 83021**
**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**December 31, 2010**

| (a) | (b) Identity of Issue, Borrower, Lessor Similar Party | (c) Description of Investment including maturity date, rate of interest, collateral, par, or maturity value | (d) Cost | (e) Fair Value |
|---|---|---|---|---|
| | **Mutual funds,** at fair value: | | | |
| | PIMCO Total Return Admin | Shares of Registered Investment Co. | ** | $ 1,213,615 |
| | MSIF Mid Cap Growth Portfolio | Shares of Registered Investment Co. | ** | 1,819,196 |
| | COL Mid Cap Value Z | Shares of Registered Investment Co. | ** | 44,045 |
| | Allianz NFJ Dividend Value AD | Shares of Registered Investment Co. | ** | 1,051,484 |
| | Rainer Large Cap Equity | Shares of Registered Investment Co. | ** | 2,344,774 |
| | Allianz NFJ SMCPVAL AD | Shares of Registered Investment Co. | ** | 606,555 |
| * | Fid Fidelity | Shares of Registered Investment Co. | ** | 35,151 |
| * | Fidelity Capital and Income | Shares of Registered Investment Co. | ** | 108,873 |
| * | Fidelity Government Income | Shares of Registered Investment Co. | ** | 806,713 |
| * | Fid Sel Healthcare | Shares of Registered Investment Co. | ** | 397,309 |
| * | Fid Sel Technology | Shares of Registered Investment Co. | ** | 431,601 |
| * | Fid Leveraged Co Stock | Shares of Registered Investment Co. | ** | 1,031,786 |
| * | Fid Balanced | Shares of Registered Investment Co. | ** | 1,212,567 |
| * | Fid International Discovery | Shares of Registered Investment Co. | ** | 2,169,803 |
| * | Fid Disciplined Equity | Shares of Registered Investment Co. | ** | 36,385 |
| * | Fidelity Emerging Markets | Shares of Registered Investment Co. | ** | 612,518 |
| * | Fidelity Growth Discovery | Shares of Registered Investment Co. | ** | 157,419 |
| * | Fid Freedom Income | Shares of Registered Investment Co. | ** | 22,590 |
| * | Fid Freedom 2000 | Shares of Registered Investment Co. | ** | 140,687 |
| * | Fid Freedom 2010 | Shares of Registered Investment Co. | ** | 270,536 |
| * | Fid Freedom 2020 | Shares of Registered Investment Co. | ** | 711,590 |
| * | Fid Freedom 2030 | Shares of Registered Investment Co. | ** | 1,511,750 |
| | SPTN Extended Market Index | Shares of Registered Investment Co. | ** | 145,134 |
| | Spartan International Index | Shares of Registered Investment Co. | ** | 118,750 |
| | Spartan 500 Index | Shares of Registered Investment Co. | ** | 156,322 |
| * | Fid Large Cap Value | Shares of Registered Investment Co. | ** | 41,416 |
| * | Fid Freedom 2040 | Shares of Registered Investment Co. | ** | 1,316,393 |
| * | Fid Freedom 2005 | Shares of Registered Investment Co. | ** | 14 |
| * | Fid Freedom 2015 | Shares of Registered Investment Co. | ** | 21,411 |
| * | Fid Freedom 2025 | Shares of Registered Investment Co. | ** | 240,313 |
| * | Fid Freedom 2035 | Shares of Registered Investment Co. | ** | 94,850 |
| * | Fid Small Cap Growth | Shares of Registered Investment Co. | ** | 98,731 |
| * | Fid Small Cap Value | Shares of Registered Investment Co. | ** | 85,241 |
| * | Fid Freedom 2045 | Shares of Registered Investment Co. | ** | 186,249 |
| * | Fid Freedom 2050 | Shares of Registered Investment Co. | ** | 40,921 |
| | | | | 19,282,692 |
| * | Fidelity Managed Income Portfolio, at contract value | Common Collective Trust | ** | 5,951,675 |
| * | Participants' Loans Receivable | Interest rates ranging from 3.25% - 9.25% per annum and maturity dates from 2011 through 2037 | ** | 791,109 |
| | | | | $ 26,025,476 |

* Party-in-interest as defined by ERISA
** Cost omitted for participant directed investments

# VITAL SIGNS, INC. 401 (k) SAVINGS AND PROTECTION PLAN

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2010 AND 2009

# VITAL SIGNS, INC. 401 (k) SAVINGS AND PROTECTION PLAN

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Rothstein Kass

# INDEPENDENT AUDITORS' REPORT

To the Participants and Administrator
Vital Signs, Inc. 401 (k) Savings and Protection Plan

We were engaged to audit the statements of net assets available for benefits of Vital Signs, Inc. 401 (k) Savings and Protection Plan (the "Plan") as of December 31, 2010 and 2009 and the related statement of changes in net assets available for benefits for the year ended December 31, 2010 and the supplemental schedule of assets as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of December 31, 2010 and 2009 and for the year ended December 31, 2010, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the 2010 financial statements and supplemental schedule, other than that derived from the information certified by the Trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Rothstein, Kass & Company, P.C.

Roseland, New Jersey
August 10, 2011

# VITAL SIGNS, INC. 401 (k) SAVINGS AND PROTECTION PLAN

## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

| December 31, | 2010 | 2009 |
|---|---|---|
| **ASSETS** | | |
| **Investments,** at fair value | | |
| Mutual funds | $ 19,282,692 | $ 17,543,668 |
| Common/collective trust | 6,000,465 | 5,855,815 |
| Total investments | 25,283,157 | 23,399,483 |
| **Receivables** | | |
| Employer's contributions | | 6,510 |
| Participants' contributions | | 34,941 |
| Participants' loans | 791,109 | 835,320 |
| Total receivables | 791,109 | 876,771 |
| Total assets | 26,074,266 | 24,276,254 |
| **LIABILITIES** | | |
| Excess contributions payable | | 24,211 |
| Total liabilities | | 24,211 |
| **Net assets reflecting all investments at fair value** | 26,074,266 | 24,252,043 |
| Adjustment from fair value to contract value for common/collective trust | (48,790) | 108,890 |
| **Net assets available for benefits** | $ 26,025,476 | $ 24,360,933 |

*See accompanying notes to financial statements.*

# VITAL SIGNS, INC. 401 (k) SAVINGS AND PROTECTION PLAN

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

**Year Ended December 31, 2010**

| | |
|---|---|
| **Additions to net assets attributable to:** | |
| **Investment income:** | |
| Net appreciation in fair value of mutual funds | $ 2,262,047 |
| Net appreciation in fair value of common/collective trust | 80,003 |
| Interest and dividends | 433,835 |
| Total investment income | 2,775,885 |
| **Contributions:** | |
| Participants' | 1,963,253 |
| Employer | 335,728 |
| Rollover | 159,797 |
| Total contributions | 2,458,778 |
| Total additions | 5,234,663 |
| **Deductions from net assets attributable to:** | |
| Distributions to participants | 3,562,297 |
| Administrative expenses | 7,823 |
| Total deductions | 3,570,120 |
| **Net increase in net assets available for benefits** | 1,664,543 |
| **Net assets available for benefits** | |
| Beginning of year | 24,360,933 |
| End of year | $ 26,025,476 |

*See accompanying notes to financial statements.*

# VITAL SIGNS, INC. 401 (k) SAVINGS AND PROTECTION PLAN

**NOTES TO FINANCIAL STATEMENTS**

## 1. Description of plan

The following description of the Vital Signs, Inc. 401 (k) Savings and Protection Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

*General*

The Plan is a defined contribution plan under Section 401(a) of the Internal Revenue Code ("IRC") covering all eligible employees (the "participants") of Vital Signs, Inc. and seven of its wholly-owned subsidiaries (collectively, the "Company"). The Plan, which was established effective October 1, 1985 and amended and restated on October 1, 2002, is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

*Eligibility*

All employees of the Company are eligible to participate in the Plan on the entry date following the completion of six months of service, as defined. The Plan does not cover employees who are members of a collective bargaining agreement or nonresident aliens.

*Contributions*

Participants may enter into a salary reduction agreement with the Company in an amount not greater than 80% of compensation, as defined, and not in excess of limits prescribed by the IRC.

Company matching contributions are 25% of the first 6% of deferred compensation, as defined, that each participant contributes. The Company may also make, at its discretion, additional contributions to the Plan. The combined contribution by the employee and the Company cannot exceed limits prescribed by the IRC. For the year ended December 31, 2010 there was no discretionary contribution.

*Participant Accounts*

Each participant's account is credited with the amount of the participant's salary reduction and an allocation of the (a) Company's contributions, (b) plan earnings (losses) and (c) administrative expenses (collectively "Accrued Benefits"). Allocations to a participant's account are made as defined in the Plan. Participants may change their investment options at any time. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

*Participants' Loans Receivable*

Participants may borrow from their accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their account balance. All loans bear a reasonable rate of interest as determined by the Plan administrator (which range between 3.25% and 9.25% per annum at December 31, 2010) and must be repaid in five years unless used for the purpose of the purchase of a participant's principal residence, in which case the loan must be repaid within a reasonable time commensurate with the repayment period permitted by commercial lenders for similar loans. The balance of the participant's vested account balance serves as collateral for the loan.

For the year ended December 31, 2010, $1,458 of participant loans were determined to be in default and have been accordingly classified as distributions.

**1. Description of plan (continued)**

*Vesting*

Participants are 100% vested in all salary reductions and Company contribution amounts credited to their accounts on their effective dates of participation, as defined.

*Payment of Benefits*

Except in the case of death, disability or financial hardship, as defined in the Plan, withdrawals are not permitted from a participant's account prior to either termination of employment or the reaching of age 59½.

At a participant's normal retirement (age 65) or disability date or upon death, the participant's entire account balance is available for distribution. Such distributions are made in the form of annuities unless otherwise elected by the participant.

**2. Summary of significant accounting policies**

*Basis of Accounting*

The accompanying financial statements of the Plan are prepared in compliance with the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA and the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America.

In accordance with Generally Accepted Accounting Principles ("GAAP"), investments in common/collective trusts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attributed for that portion of the net assets available for benefits of a defined-contribution plan attributable to common/collective trusts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Statements of Net Assets Available for Benefits present the fair value of the common/collective trusts as well as the adjustment of the common/collective trusts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America and the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, requires management to make significant estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein. Actual results could differ from those estimates.

**2. Summary of significant accounting policies (continued)**

*Valuation of Assets at Fair Value – Definition and Hierarchy*

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

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

Level 2 Inputs to the valuation methodology include:

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

If the assets or liabilities have a specified (contractual) term, Level 2 inputs must be observable for substantially the full term of the asset or liability.

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

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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2010.

Mutual funds: Valued at the net asset value ("NAV") of shares held by the Plan at year end.

Participants' loans receivable: Valued at amortized cost, which approximates fair value.

Common collective trust (managed income portfolio): Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit worthiness of the issuer.

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

**2. Summary of significant accounting policies (continued)**

*Payments of Benefits*

Benefits payments are recorded when paid.

*Administrative Expenses*

Certain administrative expenses are paid by the Company.

*Security Transactions and Investment Income*

Purchases and sales of securities are recorded on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on an accrual basis. Realized gains and losses are calculated as the difference between the proceeds from sales and the related investment's fair market value at the beginning of the plan year, or acquisition cost if acquired during the fiscal year. Unrealized appreciation and depreciation are calculated as the difference between the fair value of investments at the end of the year less their fair value at the beginning of the year, or acquisition cost if acquired during the fiscal year. The fair value of the guaranteed investment contract is calculated by discounting the related cash flows based on current yields of similar instruments with comparable durations.

*Reclassification*

Certain prior year amounts have been reclassified to conform with current year presentation.

**3. Fair value measurements**

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010.

| | Quoted Prices In Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Balance as of December 31, 2010 |
|---|---|---|---|---|
| **Mutual funds** | | | | |
| Balanced | $ 1,212,566 | $ - | $ - | $ 1,212,566 |
| Bond | 2,129,200 | | | 2,129,200 |
| International Equity | 2,901,072 | | | 2,901,072 |
| Large Blend | 227,859 | | | 227,859 |
| Large Growth | 2,502,193 | | | 2,502,193 |
| Large Value | 1,092,900 | | | 1,092,900 |
| Life Cycle | 4,557,304 | | | 4,557,304 |
| Mid Blend | 1,176,919 | | | 1,176,919 |
| Mid Growth | 1,819,196 | | | 1,819,196 |
| Mid Value | 44,045 | | | 44,045 |
| Small Growth | 98,731 | | | 98,731 |
| Small Value | 691,797 | | | 691,797 |
| Specialty | 828,910 | | | 828,910 |

**3. Fair value measurements (continued)**

| | Quoted Prices In Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Balance as of December 31, 2010 |
|---|---|---|---|---|
| **Common/collective trust** | | | | |
| Stable Value Fund | | 6,000,465 | | 6,000,465 |
| **Participants' loans** | | | 791,109 | 791,109 |
| Total assets at fair value | $ 19,282,692 | $ 6,000,465 | $ 791,109 | $ 26,074,266 |

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009.

| | Quoted Prices In Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Balance as of December 31, 2009 |
|---|---|---|---|---|
| **Mutual funds** | | | | |
| Balanced | $ 1,188,874 | $ - | $ - | $ 1,188,874 |
| Bond | 1,930,242 | | | 1,930,242 |
| International Equity | 2,713,437 | | | 2,713,437 |
| Large Blend | 144,947 | | | 144,947 |
| Large Growth | 2,504,176 | | | 2,504,176 |
| Large Value | 1,091,098 | | | 1,091,098 |
| Life Cycle | 4,178,281 | | | 4,178,281 |
| Mid Blend | 902,480 | | | 902,480 |
| Mid Growth | 1,508,733 | | | 1,508,733 |
| Mid Value | 26,622 | | | 26,622 |
| Small Growth | 81,430 | | | 81,430 |
| Small Value | 546,985 | | | 546,985 |
| Specialty | 726,363 | | | 726,363 |
| **Common/collective trust** | | | | |
| Stable Value Fund | | 5,855,815 | | 5,855,815 |
| **Patricipants' loans** | | | 835,320 | 835,320 |
| Total assets at fair value | $ 17,543,668 | $ 5,855,815 | $ 835,320 | $ 24,234,803 |

**3. Fair Value Measurements (continued)**

*Level 3 Investments*

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2010.

| | |
|---|---|
| Participants' loans receivable, beginning of year | $ 835,320 |
| Loans issued | 368,714 |
| Loans in default deemed distributed | (1,458) |
| Benefit payments | (114,654) |
| Loan repayments | (296,813) |
| Participants' loans receivable, end of year | $ 791,109 |

**4. Net appreciation in fair value of investments**

During 2010, the Plan's investments in mutual funds (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $2,262,047. During 2010, the Plan's investments in common/collective trusts (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $80,003.

**5. Income tax status**

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Department of Labor or 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 in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

The underlying nonstandard prototype plan has received an opinion letter from the Internal Revenue Service (IRS) dated October 9, 2003**,** stating that the form of the plan is qualified under Section 401(a) of the Code and, therefore, the related trust is tax-exempt. In accordance with Revenue Procedures 2006-6, the Plan sponsor has determined that it is eligible to and has chosen to rely on the current IRS prototype plan opinion letter. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

**6. Information prepared and certified by Trustee (unaudited)**

As of December 31, 2010 and 2009, the Company has elected the method of compliance permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the following information, included in the accompanying financial statements and supplemental schedule as of December 31, 2010 and 2009 and for the year ended December 31, 2010, was certified as completed and accurate by the Fidelity Management Trust Company (the "Trustee").

**6. Information prepared and certified by Trustee (unaudited) (continued)**

The following information represents the schedule of Plan assets at December 31, 2010 and 2009:

| | 2010 | | 2009 | |
|---|---|---|---|---|
| **Investment,** at fair value | | | | |
| PIMCO Total Return Admin | 1,213,615 | | 1,047,605 | |
| MSIF Mid Cap Growth Portfolio | 1,819,196 | ** | 1,508,733 | ** |
| COL Mid Cap Value Z | 44,045 | | 26,622 | |
| Allianz NFJ Dividend Value AD | 1,051,484 | | 1,022,821 | |
| Rainer Large Cap Equity | 2,344,774 | ** | 2,396,583 | ** |
| Allianz NFJ SMCPVAL AD | 606,555 | | 512,238 | |
| Fid Fidelity | 35,151 | | 63,352 | |
| Fidelity Capital and Income | 108,873 | | 43,507 | |
| Fidelity Government Income | 806,713 | | 839,131 | |
| Fid Sel Healthcare | 397,309 | | 331,076 | |
| Fid Sel Technology | 431,601 | | 395,287 | |
| Fid Leveraged Co Stock | 1,031,786 | | 874,472 | |
| Fid Balanced | 1,212,567 | | 1,188,874 | |
| Fid International Discovery | 2,169,803 | ** | 2,130,259 | ** |
| Fid Disciplined Equity | 36,385 | | 29,358 | |
| Fidelity Emerging Markets | 612,518 | | 526,097 | |
| Fidelity Growth Discovery | 157,419 | | 107,593 | |
| Fid Freedom Income | 22,590 | | 6,881 | |
| Fid Freedom 2000 | 140,687 | | 206,849 | |
| Fid Freedom 2010 | 270,536 | | 271,049 | |
| Fid Freedom 2020 | 711,590 | | 622,993 | |
| Fid Freedom 2030 | 1,511,750 | ** | 1,530,016 | ** |
| SPTN Extended Market Index | 145,134 | | 28,008 | |
| Spartan International Index | 118,750 | | 57,081 | |
| Spartan 500 Index | 156,322 | | 52,237 | |
| Fid Large Cap Value | 41,416 | | 68,277 | |
| Fid Freedom 2040 | 1,316,393 | ** | 1,256,325 | ** |
| Fid Freedom 2005 | 14 | | | |
| Fid Freedom 2015 | 21,411 | | 37,799 | |
| Fid Freedom 2025 | 240,313 | | 106,944 | |
| Fid Freedom 2035 | 94,850 | | 51,294 | |

**6. Information prepared and certified by Trustee (unaudited) (continued)**

| | 2010 | | 2009 | |
|---|---|---|---|---|
| **Investment**, at fair value | | | | |
| Fid Small Cap Growth | 98,731 | | 81,430 | |
| Fid Small Cap Value | 85,241 | | 34,747 | |
| Fid Freedom 2045 | 186,249 | | 73,765 | |
| Fid Freedom 2050 | 40,921 | | 14,365 | |
| | $ 19,282,692 | | $ 17,543,668 | |
| **Common Collective Trust**, at contract value | | | | |
| Fidelity Managed Income Portfolio | $ 5,951,675 | ** | $ 5,964,705 | ** |
| Participants' Loans Receivable | $ 791,109 | | $ 835,320 | |

** Investments that represent 5% or more of the Plan's net assets.

The following information represents investment earnings of the Plan for the year ended December 31, 2010:

| | |
|---|---|
| Net appreciation in fair value of investments | $ 2,342,050 |
| Interest and dividends | 433,835 |
| Total investment income | $ 2,775,885 |

**7. Party-in-interest**

Certain assets of the Plan invested with the Trustee as of December 31, 2010 and 2009 are considered party-in-interest investments. The Trustee is a party-in-interest as a provider of investment management and accounting services to the funds. These transactions are exempt from the prohibited transaction rules.

The Company provides certain administrative services to the Plan at no cost. The Plan’s administrator is the Company.

**8. Reconciliation of the financial statements to Schedule H of Form 5500**

The following is a reconciliation of net assets available for benefits per the financial statements to Schedule H of Form 5500 at December 31, 2010 and 2009:

| | 2010 | 2009 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 26,025,476 | $ 24,360,933 |
| Plus: Excess contributions payable | | 24,211 |
| Less: Adjustment from contract value to fair value | 48,790 | (108,890) |
| Less: Contributions receivable | | (41,451) |
| Net assets available for benefits per Schedule H of Form 5500 | $ 26,074,266 | $ 24,234,803 |

The following is a reconciliation of contributions from participants and employer per the financial statements to Schedule H of Form 5500 for the year ended December 31, 2010:

| | |
|---|---|
| Contributions from participants and employer per the financial statements | $ 2,458,778 |
| Plus: Decrease in contributions receivable | 41,451 |
| Contributions from participants and employer per Schedule H of Form 5500 | $ 2,500,229 |

**9. Plan termination**

Although it has not expressed any intent to do so, the Company reserves the right under the plan to discontinue its contributions at any time and to terminate or amend the Plan subject to the provisions set forth in ERISA. Upon such termination, participants' will become 100% vested in their accounts.

**10. Risk and uncertainties**

In the normal course of business, all of the Plan's assets are transacted with and held by its trustee. The Plan is subject to credit risk to the extent the Trustee is unable to fulfill contractual obligations on their behalf. The Company does not anticipate any losses from this counterparty.

The Plan provides for various investment options in mutual funds. These investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amount reported in the statements of net assets available for benefits and changes in net assets available for benefits.

**11. Subsequent events**

These financial statements were approved by management and available for issuance on August 10, 2011. Subsequent events have been evaluated through this date.

# VITAL SIGNS, INC. 401 (k) SAVINGS AND PROTECTION PLAN

**SUPPLEMENTAL INFORMATION**
**EIN: 04-2033129**
**PLAN NUMBER: 83021**
**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**December 31, 2010**

| (a) | (b) Identity of Issue, Borrower, Lessor Similar Party | (c) Description of Investment including maturity date, rate of interest, collateral, par, or maturity value | (d) Cost | (e) Fair Value |
|---|---|---|---|---|
| | **Mutual funds,** at fair value: | | | |
| | PIMCO Total Return Admin | Shares of Registered Investment Co. | ** | $ 1,213,615 |
| | MSIF Mid Cap Growth Portfolio | Shares of Registered Investment Co. | ** | 1,819,196 |
| | COL Mid Cap Value Z | Shares of Registered Investment Co. | ** | 44,045 |
| | Allianz NFJ Dividend Value AD | Shares of Registered Investment Co. | ** | 1,051,484 |
| | Rainer Large Cap Equity | Shares of Registered Investment Co. | ** | 2,344,774 |
| | Allianz NFJ SMCPVAL AD | Shares of Registered Investment Co. | ** | 606,555 |
| * | Fid Fidelity | Shares of Registered Investment Co. | ** | 35,151 |
| * | Fidelity Capital and Income | Shares of Registered Investment Co. | ** | 108,873 |
| * | Fidelity Government Income | Shares of Registered Investment Co. | ** | 806,713 |
| * | Fid Sel Healthcare | Shares of Registered Investment Co. | ** | 397,309 |
| * | Fid Sel Technology | Shares of Registered Investment Co. | ** | 431,601 |
| * | Fid Leveraged Co Stock | Shares of Registered Investment Co. | ** | 1,031,786 |
| * | Fid Balanced | Shares of Registered Investment Co. | ** | 1,212,567 |
| * | Fid International Discovery | Shares of Registered Investment Co. | ** | 2,169,803 |
| * | Fid Disciplined Equity | Shares of Registered Investment Co. | ** | 36,385 |
| * | Fidelity Emerging Markets | Shares of Registered Investment Co. | ** | 612,518 |
| * | Fidelity Growth Discovery | Shares of Registered Investment Co. | ** | 157,419 |
| * | Fid Freedom Income | Shares of Registered Investment Co. | ** | 22,590 |
| * | Fid Freedom 2000 | Shares of Registered Investment Co. | ** | 140,687 |
| * | Fid Freedom 2010 | Shares of Registered Investment Co. | ** | 270,536 |
| * | Fid Freedom 2020 | Shares of Registered Investment Co. | ** | 711,590 |
| * | Fid Freedom 2030 | Shares of Registered Investment Co. | ** | 1,511,750 |
| | SPTN Extended Market Index | Shares of Registered Investment Co. | ** | 145,134 |
| | Spartan International Index | Shares of Registered Investment Co. | ** | 118,750 |
| | Spartan 500 Index | Shares of Registered Investment Co. | ** | 156,322 |
| * | Fid Large Cap Value | Shares of Registered Investment Co. | ** | 41,416 |
| * | Fid Freedom 2040 | Shares of Registered Investment Co. | ** | 1,316,393 |
| * | Fid Freedom 2005 | Shares of Registered Investment Co. | ** | 14 |
| * | Fid Freedom 2015 | Shares of Registered Investment Co. | ** | 21,411 |
| * | Fid Freedom 2025 | Shares of Registered Investment Co. | ** | 240,313 |
| * | Fid Freedom 2035 | Shares of Registered Investment Co. | ** | 94,850 |
| * | Fid Small Cap Growth | Shares of Registered Investment Co. | ** | 98,731 |
| * | Fid Small Cap Value | Shares of Registered Investment Co. | ** | 85,241 |
| * | Fid Freedom 2045 | Shares of Registered Investment Co. | ** | 186,249 |
| * | Fid Freedom 2050 | Shares of Registered Investment Co. | ** | 40,921 |
| | | | | 19,282,692 |
| * | Fidelity Managed Income Portfolio, at contract value | Common Collective Trust | ** | 5,951,675 |
| * | Participants' Loans Receivable | Interest rates ranging from 3.25% - 9.25% per annum and maturity dates from 2011 through 2037 | ** | 791,109 |
| | | | | $ 26,025,476 |

* Party-in-interest as defined by ERISA
** Cost omitted for participant directed investments

# VITAL SIGNS, INC. 401 (k) SAVINGS AND PROTECTION PLAN

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2010 AND 2009

# VITAL SIGNS, INC. 401 (k) SAVINGS AND PROTECTION PLAN

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Rothstein Kass

# INDEPENDENT AUDITORS' REPORT

To the Participants and Administrator
Vital Signs, Inc. 401 (k) Savings and Protection Plan

We were engaged to audit the statements of net assets available for benefits of Vital Signs, Inc. 401 (k) Savings and Protection Plan (the "Plan") as of December 31, 2010 and 2009 and the related statement of changes in net assets available for benefits for the year ended December 31, 2010 and the supplemental schedule of assets as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of December 31, 2010 and 2009 and for the year ended December 31, 2010, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the 2010 financial statements and supplemental schedule, other than that derived from the information certified by the Trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Rothstein, Kass & Company, P.C.

Roseland, New Jersey
August 10, 2011

# VITAL SIGNS, INC. 401 (k) SAVINGS AND PROTECTION PLAN

## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

| December 31, | 2010 | 2009 |
|---|---|---|
| **ASSETS** | | |
| **Investments,** at fair value | | |
| Mutual funds | $ 19,282,692 | $ 17,543,668 |
| Common/collective trust | 6,000,465 | 5,855,815 |
| Total investments | 25,283,157 | 23,399,483 |
| **Receivables** | | |
| Employer's contributions | | 6,510 |
| Participants' contributions | | 34,941 |
| Participants' loans | 791,109 | 835,320 |
| Total receivables | 791,109 | 876,771 |
| Total assets | 26,074,266 | 24,276,254 |
| **LIABILITIES** | | |
| Excess contributions payable | | 24,211 |
| Total liabilities | | 24,211 |
| **Net assets reflecting all investments at fair value** | 26,074,266 | 24,252,043 |
| Adjustment from fair value to contract value for common/collective trust | (48,790) | 108,890 |
| **Net assets available for benefits** | $ 26,025,476 | $ 24,360,933 |

*See accompanying notes to financial statements.*

# VITAL SIGNS, INC. 401 (k) SAVINGS AND PROTECTION PLAN

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

**Year Ended December 31, 2010**

| | |
|---|---|
| **Additions to net assets attributable to:** | |
| **Investment income:** | |
| Net appreciation in fair value of mutual funds | $ 2,262,047 |
| Net appreciation in fair value of common/collective trust | 80,003 |
| Interest and dividends | 433,835 |
| Total investment income | 2,775,885 |
| **Contributions:** | |
| Participants' | 1,963,253 |
| Employer | 335,728 |
| Rollover | 159,797 |
| Total contributions | 2,458,778 |
| Total additions | 5,234,663 |
| **Deductions from net assets attributable to:** | |
| Distributions to participants | 3,562,297 |
| Administrative expenses | 7,823 |
| Total deductions | 3,570,120 |
| **Net increase in net assets available for benefits** | 1,664,543 |
| **Net assets available for benefits** | |
| Beginning of year | 24,360,933 |
| End of year | $ 26,025,476 |

*See accompanying notes to financial statements.*

# VITAL SIGNS, INC. 401 (k) SAVINGS AND PROTECTION PLAN

**NOTES TO FINANCIAL STATEMENTS**

## 1. Description of plan

The following description of the Vital Signs, Inc. 401 (k) Savings and Protection Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

*General*

The Plan is a defined contribution plan under Section 401(a) of the Internal Revenue Code ("IRC") covering all eligible employees (the "participants") of Vital Signs, Inc. and seven of its wholly-owned subsidiaries (collectively, the "Company"). The Plan, which was established effective October 1, 1985 and amended and restated on October 1, 2002, is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

*Eligibility*

All employees of the Company are eligible to participate in the Plan on the entry date following the completion of six months of service, as defined. The Plan does not cover employees who are members of a collective bargaining agreement or nonresident aliens.

*Contributions*

Participants may enter into a salary reduction agreement with the Company in an amount not greater than 80% of compensation, as defined, and not in excess of limits prescribed by the IRC.

Company matching contributions are 25% of the first 6% of deferred compensation, as defined, that each participant contributes. The Company may also make, at its discretion, additional contributions to the Plan. The combined contribution by the employee and the Company cannot exceed limits prescribed by the IRC. For the year ended December 31, 2010 there was no discretionary contribution.

*Participant Accounts*

Each participant's account is credited with the amount of the participant's salary reduction and an allocation of the (a) Company's contributions, (b) plan earnings (losses) and (c) administrative expenses (collectively "Accrued Benefits"). Allocations to a participant's account are made as defined in the Plan. Participants may change their investment options at any time. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

*Participants' Loans Receivable*

Participants may borrow from their accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their account balance. All loans bear a reasonable rate of interest as determined by the Plan administrator (which range between 3.25% and 9.25% per annum at December 31, 2010) and must be repaid in five years unless used for the purpose of the purchase of a participant's principal residence, in which case the loan must be repaid within a reasonable time commensurate with the repayment period permitted by commercial lenders for similar loans. The balance of the participant's vested account balance serves as collateral for the loan.

For the year ended December 31, 2010, $1,458 of participant loans were determined to be in default and have been accordingly classified as distributions.

**1. Description of plan (continued)**

*Vesting*

Participants are 100% vested in all salary reductions and Company contribution amounts credited to their accounts on their effective dates of participation, as defined.

*Payment of Benefits*

Except in the case of death, disability or financial hardship, as defined in the Plan, withdrawals are not permitted from a participant's account prior to either termination of employment or the reaching of age 59½.

At a participant's normal retirement (age 65) or disability date or upon death, the participant's entire account balance is available for distribution. Such distributions are made in the form of annuities unless otherwise elected by the participant.

**2. Summary of significant accounting policies**

*Basis of Accounting*

The accompanying financial statements of the Plan are prepared in compliance with the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA and the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America.

In accordance with Generally Accepted Accounting Principles ("GAAP"), investments in common/collective trusts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attributed for that portion of the net assets available for benefits of a defined-contribution plan attributable to common/collective trusts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Statements of Net Assets Available for Benefits present the fair value of the common/collective trusts as well as the adjustment of the common/collective trusts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America and the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, requires management to make significant estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein. Actual results could differ from those estimates.

**2. Summary of significant accounting policies (continued)**

*Valuation of Assets at Fair Value – Definition and Hierarchy*

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

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

Level 2 Inputs to the valuation methodology include:

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

If the assets or liabilities have a specified (contractual) term, Level 2 inputs must be observable for substantially the full term of the asset or liability.

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

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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2010.

Mutual funds: Valued at the net asset value ("NAV") of shares held by the Plan at year end.

Participants' loans receivable: Valued at amortized cost, which approximates fair value.

Common collective trust (managed income portfolio): Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit worthiness of the issuer.

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

**2. Summary of significant accounting policies (continued)**

*Payments of Benefits*

Benefits payments are recorded when paid.

*Administrative Expenses*

Certain administrative expenses are paid by the Company.

*Security Transactions and Investment Income*

Purchases and sales of securities are recorded on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on an accrual basis. Realized gains and losses are calculated as the difference between the proceeds from sales and the related investment's fair market value at the beginning of the plan year, or acquisition cost if acquired during the fiscal year. Unrealized appreciation and depreciation are calculated as the difference between the fair value of investments at the end of the year less their fair value at the beginning of the year, or acquisition cost if acquired during the fiscal year. The fair value of the guaranteed investment contract is calculated by discounting the related cash flows based on current yields of similar instruments with comparable durations.

*Reclassification*

Certain prior year amounts have been reclassified to conform with current year presentation.

**3. Fair value measurements**

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010.

| | Quoted Prices In Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Balance as of December 31, 2010 |
|---|---|---|---|---|
| **Mutual funds** | | | | |
| Balanced | $ 1,212,566 | $ - | $ - | $ 1,212,566 |
| Bond | 2,129,200 | | | 2,129,200 |
| International Equity | 2,901,072 | | | 2,901,072 |
| Large Blend | 227,859 | | | 227,859 |
| Large Growth | 2,502,193 | | | 2,502,193 |
| Large Value | 1,092,900 | | | 1,092,900 |
| Life Cycle | 4,557,304 | | | 4,557,304 |
| Mid Blend | 1,176,919 | | | 1,176,919 |
| Mid Growth | 1,819,196 | | | 1,819,196 |
| Mid Value | 44,045 | | | 44,045 |
| Small Growth | 98,731 | | | 98,731 |
| Small Value | 691,797 | | | 691,797 |
| Specialty | 828,910 | | | 828,910 |

**3. Fair value measurements (continued)**

| | Quoted Prices In Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Balance as of December 31, 2010 |
|---|---|---|---|---|
| **Common/collective trust** | | | | |
| Stable Value Fund | | 6,000,465 | | 6,000,465 |
| **Participants' loans** | | | 791,109 | 791,109 |
| Total assets at fair value | $ 19,282,692 | $ 6,000,465 | $ 791,109 | $ 26,074,266 |

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009.

| | Quoted Prices In Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Balance as of December 31, 2009 |
|---|---|---|---|---|
| **Mutual funds** | | | | |
| Balanced | $ 1,188,874 | $ - | $ - | $ 1,188,874 |
| Bond | 1,930,242 | | | 1,930,242 |
| International Equity | 2,713,437 | | | 2,713,437 |
| Large Blend | 144,947 | | | 144,947 |
| Large Growth | 2,504,176 | | | 2,504,176 |
| Large Value | 1,091,098 | | | 1,091,098 |
| Life Cycle | 4,178,281 | | | 4,178,281 |
| Mid Blend | 902,480 | | | 902,480 |
| Mid Growth | 1,508,733 | | | 1,508,733 |
| Mid Value | 26,622 | | | 26,622 |
| Small Growth | 81,430 | | | 81,430 |
| Small Value | 546,985 | | | 546,985 |
| Specialty | 726,363 | | | 726,363 |
| **Common/collective trust** | | | | |
| Stable Value Fund | | 5,855,815 | | 5,855,815 |
| **Patricipants' loans** | | | 835,320 | 835,320 |
| Total assets at fair value | $ 17,543,668 | $ 5,855,815 | $ 835,320 | $ 24,234,803 |

**3. Fair Value Measurements (continued)**

*Level 3 Investments*

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2010.

| | |
|---|---|
| Participants' loans receivable, beginning of year | $ 835,320 |
| Loans issued | 368,714 |
| Loans in default deemed distributed | (1,458) |
| Benefit payments | (114,654) |
| Loan repayments | (296,813) |
| Participants' loans receivable, end of year | $ 791,109 |

**4. Net appreciation in fair value of investments**

During 2010, the Plan's investments in mutual funds (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $2,262,047. During 2010, the Plan's investments in common/collective trusts (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $80,003.

**5. Income tax status**

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Department of Labor or 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 in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

The underlying nonstandard prototype plan has received an opinion letter from the Internal Revenue Service (IRS) dated October 9, 2003**,** stating that the form of the plan is qualified under Section 401(a) of the Code and, therefore, the related trust is tax-exempt. In accordance with Revenue Procedures 2006-6, the Plan sponsor has determined that it is eligible to and has chosen to rely on the current IRS prototype plan opinion letter. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

**6. Information prepared and certified by Trustee (unaudited)**

As of December 31, 2010 and 2009, the Company has elected the method of compliance permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the following information, included in the accompanying financial statements and supplemental schedule as of December 31, 2010 and 2009 and for the year ended December 31, 2010, was certified as completed and accurate by the Fidelity Management Trust Company (the "Trustee").

**6. Information prepared and certified by Trustee (unaudited) (continued)**

The following information represents the schedule of Plan assets at December 31, 2010 and 2009:

| | 2010 | | 2009 | |
|---|---|---|---|---|
| **Investment,** at fair value | | | | |
| PIMCO Total Return Admin | 1,213,615 | | 1,047,605 | |
| MSIF Mid Cap Growth Portfolio | 1,819,196 | ** | 1,508,733 | ** |
| COL Mid Cap Value Z | 44,045 | | 26,622 | |
| Allianz NFJ Dividend Value AD | 1,051,484 | | 1,022,821 | |
| Rainer Large Cap Equity | 2,344,774 | ** | 2,396,583 | ** |
| Allianz NFJ SMCPVAL AD | 606,555 | | 512,238 | |
| Fid Fidelity | 35,151 | | 63,352 | |
| Fidelity Capital and Income | 108,873 | | 43,507 | |
| Fidelity Government Income | 806,713 | | 839,131 | |
| Fid Sel Healthcare | 397,309 | | 331,076 | |
| Fid Sel Technology | 431,601 | | 395,287 | |
| Fid Leveraged Co Stock | 1,031,786 | | 874,472 | |
| Fid Balanced | 1,212,567 | | 1,188,874 | |
| Fid International Discovery | 2,169,803 | ** | 2,130,259 | ** |
| Fid Disciplined Equity | 36,385 | | 29,358 | |
| Fidelity Emerging Markets | 612,518 | | 526,097 | |
| Fidelity Growth Discovery | 157,419 | | 107,593 | |
| Fid Freedom Income | 22,590 | | 6,881 | |
| Fid Freedom 2000 | 140,687 | | 206,849 | |
| Fid Freedom 2010 | 270,536 | | 271,049 | |
| Fid Freedom 2020 | 711,590 | | 622,993 | |
| Fid Freedom 2030 | 1,511,750 | ** | 1,530,016 | ** |
| SPTN Extended Market Index | 145,134 | | 28,008 | |
| Spartan International Index | 118,750 | | 57,081 | |
| Spartan 500 Index | 156,322 | | 52,237 | |
| Fid Large Cap Value | 41,416 | | 68,277 | |
| Fid Freedom 2040 | 1,316,393 | ** | 1,256,325 | ** |
| Fid Freedom 2005 | 14 | | | |
| Fid Freedom 2015 | 21,411 | | 37,799 | |
| Fid Freedom 2025 | 240,313 | | 106,944 | |
| Fid Freedom 2035 | 94,850 | | 51,294 | |

**6. Information prepared and certified by Trustee (unaudited) (continued)**

| | 2010 | | 2009 | |
|---|---|---|---|---|
| **Investment**, at fair value | | | | |
| Fid Small Cap Growth | 98,731 | | 81,430 | |
| Fid Small Cap Value | 85,241 | | 34,747 | |
| Fid Freedom 2045 | 186,249 | | 73,765 | |
| Fid Freedom 2050 | 40,921 | | 14,365 | |
| | $ 19,282,692 | | $ 17,543,668 | |
| **Common Collective Trust**, at contract value | | | | |
| Fidelity Managed Income Portfolio | $ 5,951,675 | ** | $ 5,964,705 | ** |
| Participants' Loans Receivable | $ 791,109 | | $ 835,320 | |

** Investments that represent 5% or more of the Plan's net assets.

The following information represents investment earnings of the Plan for the year ended December 31, 2010:

| | |
|---|---|
| Net appreciation in fair value of investments | $ 2,342,050 |
| Interest and dividends | 433,835 |
| Total investment income | $ 2,775,885 |

**7. Party-in-interest**

Certain assets of the Plan invested with the Trustee as of December 31, 2010 and 2009 are considered party-in-interest investments. The Trustee is a party-in-interest as a provider of investment management and accounting services to the funds. These transactions are exempt from the prohibited transaction rules.

The Company provides certain administrative services to the Plan at no cost. The Plan’s administrator is the Company.

**8. Reconciliation of the financial statements to Schedule H of Form 5500**

The following is a reconciliation of net assets available for benefits per the financial statements to Schedule H of Form 5500 at December 31, 2010 and 2009:

| | 2010 | 2009 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 26,025,476 | $ 24,360,933 |
| Plus: Excess contributions payable | | 24,211 |
| Less: Adjustment from contract value to fair value | 48,790 | (108,890) |
| Less: Contributions receivable | | (41,451) |
| Net assets available for benefits per Schedule H of Form 5500 | $ 26,074,266 | $ 24,234,803 |

The following is a reconciliation of contributions from participants and employer per the financial statements to Schedule H of Form 5500 for the year ended December 31, 2010:

| | |
|---|---|
| Contributions from participants and employer per the financial statements | $ 2,458,778 |
| Plus: Decrease in contributions receivable | 41,451 |
| Contributions from participants and employer per Schedule H of Form 5500 | $ 2,500,229 |

**9. Plan termination**

Although it has not expressed any intent to do so, the Company reserves the right under the plan to discontinue its contributions at any time and to terminate or amend the Plan subject to the provisions set forth in ERISA. Upon such termination, participants' will become 100% vested in their accounts.

**10. Risk and uncertainties**

In the normal course of business, all of the Plan's assets are transacted with and held by its trustee. The Plan is subject to credit risk to the extent the Trustee is unable to fulfill contractual obligations on their behalf. The Company does not anticipate any losses from this counterparty.

The Plan provides for various investment options in mutual funds. These investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amount reported in the statements of net assets available for benefits and changes in net assets available for benefits.

**11. Subsequent events**

These financial statements were approved by management and available for issuance on August 10, 2011. Subsequent events have been evaluated through this date.

# VITAL SIGNS, INC. 401 (k) SAVINGS AND PROTECTION PLAN

**SUPPLEMENTAL INFORMATION**
**EIN: 04-2033129**
**PLAN NUMBER: 83021**
**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**December 31, 2010**

| (a) | (b) Identity of Issue, Borrower, Lessor Similar Party | (c) Description of Investment including maturity date, rate of interest, collateral, par, or maturity value | (d) Cost | (e) Fair Value |
|---|---|---|---|---|
| | **Mutual funds,** at fair value: | | | |
| | PIMCO Total Return Admin | Shares of Registered Investment Co. | ** | $ 1,213,615 |
| | MSIF Mid Cap Growth Portfolio | Shares of Registered Investment Co. | ** | 1,819,196 |
| | COL Mid Cap Value Z | Shares of Registered Investment Co. | ** | 44,045 |
| | Allianz NFJ Dividend Value AD | Shares of Registered Investment Co. | ** | 1,051,484 |
| | Rainer Large Cap Equity | Shares of Registered Investment Co. | ** | 2,344,774 |
| | Allianz NFJ SMCPVAL AD | Shares of Registered Investment Co. | ** | 606,555 |
| * | Fid Fidelity | Shares of Registered Investment Co. | ** | 35,151 |
| * | Fidelity Capital and Income | Shares of Registered Investment Co. | ** | 108,873 |
| * | Fidelity Government Income | Shares of Registered Investment Co. | ** | 806,713 |
| * | Fid Sel Healthcare | Shares of Registered Investment Co. | ** | 397,309 |
| * | Fid Sel Technology | Shares of Registered Investment Co. | ** | 431,601 |
| * | Fid Leveraged Co Stock | Shares of Registered Investment Co. | ** | 1,031,786 |
| * | Fid Balanced | Shares of Registered Investment Co. | ** | 1,212,567 |
| * | Fid International Discovery | Shares of Registered Investment Co. | ** | 2,169,803 |
| * | Fid Disciplined Equity | Shares of Registered Investment Co. | ** | 36,385 |
| * | Fidelity Emerging Markets | Shares of Registered Investment Co. | ** | 612,518 |
| * | Fidelity Growth Discovery | Shares of Registered Investment Co. | ** | 157,419 |
| * | Fid Freedom Income | Shares of Registered Investment Co. | ** | 22,590 |
| * | Fid Freedom 2000 | Shares of Registered Investment Co. | ** | 140,687 |
| * | Fid Freedom 2010 | Shares of Registered Investment Co. | ** | 270,536 |
| * | Fid Freedom 2020 | Shares of Registered Investment Co. | ** | 711,590 |
| * | Fid Freedom 2030 | Shares of Registered Investment Co. | ** | 1,511,750 |
| | SPTN Extended Market Index | Shares of Registered Investment Co. | ** | 145,134 |
| | Spartan International Index | Shares of Registered Investment Co. | ** | 118,750 |
| | Spartan 500 Index | Shares of Registered Investment Co. | ** | 156,322 |
| * | Fid Large Cap Value | Shares of Registered Investment Co. | ** | 41,416 |
| * | Fid Freedom 2040 | Shares of Registered Investment Co. | ** | 1,316,393 |
| * | Fid Freedom 2005 | Shares of Registered Investment Co. | ** | 14 |
| * | Fid Freedom 2015 | Shares of Registered Investment Co. | ** | 21,411 |
| * | Fid Freedom 2025 | Shares of Registered Investment Co. | ** | 240,313 |
| * | Fid Freedom 2035 | Shares of Registered Investment Co. | ** | 94,850 |
| * | Fid Small Cap Growth | Shares of Registered Investment Co. | ** | 98,731 |
| * | Fid Small Cap Value | Shares of Registered Investment Co. | ** | 85,241 |
| * | Fid Freedom 2045 | Shares of Registered Investment Co. | ** | 186,249 |
| * | Fid Freedom 2050 | Shares of Registered Investment Co. | ** | 40,921 |
| | | | | 19,282,692 |
| * | Fidelity Managed Income Portfolio, at contract value | Common Collective Trust | ** | 5,951,675 |
| * | Participants' Loans Receivable | Interest rates ranging from 3.25% - 9.25% per annum and maturity dates from 2011 through 2037 | ** | 791,109 |
| | | | | $ 26,025,476 |

* Party-in-interest as defined by ERISA
** Cost omitted for participant directed investments