

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
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Part I	Annual Report Identification Information		
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) ____	
B This return/report is:	☐ the first return/report;	☐ the final return/report;	
	☐ an amended return/report;	☐ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☐		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description)		

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

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/05/2011</u>	<u>MARY ELLEN POPE</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/05/2011</u>	<u>MARY ELLEN POPE</u>
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") BEACON ORTHOPAEDICS AND SPORTS MEDICINE, LTD. 500 E. BUSINESS WAY, SUITE A CINCINNATI, OH 45241	3b Administrator's EIN 31-1483173 3c Administrator's telephone number 513-354-3700
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	228
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	198
b Retired or separated participants receiving benefits.....	6b	
c Other retired or separated participants entitled to future benefits.....	6c	21
d Subtotal. Add lines 6a , 6b , and 6c	6d	219
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	219
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	18
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:
 1A 1D 1G 3B 3D

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

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

a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
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SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

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

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

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

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2010</u>	
2 Assets:	
a Market value	2a <u>2158523</u>
b Actuarial value	2b <u>2158523</u>
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>0</u> <u>0</u>
b For terminated vested participants	3b <u>23</u> <u>14738</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>47824</u>
(2) Vested benefits	3c(2) <u>2333394</u>
(3) Total active	3c(3) <u>204</u> <u>2381218</u>
d Total	3d <u>227</u> <u>2395956</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>5.96</u> %
6 Target normal cost	6 <u>440708</u>

Statement by Enrolled Actuary

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

SIGN HERE	<u>07/06/2011</u>
Signature of actuary	Date
<u>JESSICA A. BIRKLE</u>	<u>11-07693</u>
Type or print name of actuary	Most recent enrollment number
<u>CUNI, RUST & STRENK, INC.</u>	<u>513-891-0270</u>
Firm name	Telephone number (including area code)
<u>4540 COOPER ROAD, SUITE 304</u> <u>US CINCINNATI, OH 45242</u>	
Address of the firm	

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

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

Schedule SB (Form 5500) 2010
v.092308.1

Part II	Beginning of year carryover and prefunding balances		
	(a) Carryover balance	(b) Prefunding balance	
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	0	0	
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0	
9 Amount remaining (Item 7 minus item 8).....	0	0	
10 Interest on item 9 using prior year's actual return of <u>19.20</u> %			
11 Prior year's excess contributions to be added to prefunding balance:			
a Excess contributions (Item 38 from prior year)		19559	
b Interest on (a) using prior year's effective rate of <u>8.15</u> %		1594	
c Total available at beginning of current plan year to add to prefunding balance		21153	
d Portion of (c) to be added to prefunding balance.....		0	
12 Reduction in balances due to elections or deemed elections.....	0	0	
13 Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	0	0	

Part III	Funding percentages		
14 Funding target attainment percentage.....	14	90.09	%
15 Adjusted funding target attainment percentage.....	15	90.09	%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	86.29	%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17		%

Part IV	Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:						
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	
10/08/2010	99					
10/14/2010	84283					
10/14/2010	84382					
10/14/2010	84481					
01/10/2011	84382					
06/21/2011	191595					
			Totals ▶	18(b)	529222	18(c)
						0

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

a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	494762

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☒ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:				
a Segment rates:	1st segment: 4.60 %	2nd segment: 6.65 %	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 52
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	440708
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	141595	26337
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	467045
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35).....	36	467045
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	494762
38 Interest-adjusted excess contributions for current year (see instructions).....	38	27717
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		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 BEACON ORTHOPAEDICS AND SPORTS MEDICINE, LTD. DEFINED BENEFIT PLAN	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 BEACON ORTHOPAEDICS AND SPORTS MEDICINE, LTD.	D Employer Identification Number (EIN) 31-1483173	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	847	349
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	401489	275978
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	6461	8946
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	49488	33111
(2) U.S. Government securities.....	1c(2)	169678	268949
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)	389130	582040
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	894640	1372445
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	210138	301698
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	51951	41557

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	2173822	2885073

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	2173822	2885073
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	529222	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		529222
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	11	
(B) U.S. Government securities	2b(1)(B)	7874	
(C) Corporate debt instruments	2b(1)(C)	22030	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		29915
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	26656	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1407	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		28063
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	309654	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	312111	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-2457

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	122269	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		122269
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		20769
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		727781

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	16522	
(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)		16522
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	8	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		8
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		16530

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		711251
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: WHITMER AND COMPANY

(2) EIN: 31-1223798

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

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

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 <u>BEACON ORTHOPAEDICS AND SPORTS MEDICINE, LTD. DEFINED BENEFIT PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BEACON ORTHOPAEDICS AND SPORTS MEDICINE, LTD.</u>	D Employer Identification Number (EIN) <u>31-1483173</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>31-1483173</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3 <u>21</u>

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a	<u>529222</u>	
b Enter the amount contributed by the employer to the plan for this plan year	6b	<u>529222</u>	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c	<u>0</u>	
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☒ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☒ No	☐ N/A

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

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

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

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

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

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

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

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

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

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

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

- a** Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Whitmer

& Company CPA'S, LLP

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105 East Fourth St., Suite 1100
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of net assets available for benefits of Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan as of December 31, 2010 and 2009 and the related statements of changes in net assets available for benefits, accumulated plan benefits, changes in accumulated plan benefits and supplementary schedules of assets held at year end and assets acquired and disposed of, held at end of year, for the years then ended. These financial statements and schedules are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan as of December 31, 2010 and 2009, and the changes in its net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Whitmer & Company CPA's, LLP
Cincinnati, Ohio

September 29, 2011

**BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2010 AND 2009**

ASSETS		<u>2010</u>	<u>2009</u>
Investments (Note G)			
Mutual funds		\$ 301,698	\$ 210,138
Corporate stocks		1,372,444	894,640
Corporate bonds		582,041	389,130
Mortgage pools		41,557	51,951
U.S. Government securities		268,949	95,307
U.S. Treasuries		<u>-</u>	<u>74,371</u>
Total Investments		<u>2,566,689</u>	<u>1,715,537</u>
Receivables			
Contribution receivable		275,978	401,587
Accrued investment income		<u>8,946</u>	<u>6,364</u>
Total Receivables		<u>284,924</u>	<u>407,951</u>
Cash & Cash Equivalents		<u>33,460</u>	<u>50,335</u>
Total Assets		2,885,073	2,173,823
LIABILITIES			
Total Liabilities		<u>-</u>	<u>-</u>
Net Assets Available for Benefits		<u>\$ 2,885,073</u>	<u>\$ 2,173,823</u>

See accompanying notes and auditors' report.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Additions to Net Assets		
Investment Income		
Interest	\$ 29,915	\$ 22,719
Dividends	28,063	24,503
Realized losses on investments	18,312	4,818
Net depreciation in fair value of investments	<u>122,269</u>	<u>267,232</u>
	198,559	319,272
Less investment expenses	<u>-</u>	<u>-</u>
Net Investment Income (Loss)	198,559	319,272
Employer Contribution	<u>529,222</u>	<u>401,490</u>
Total Additions to Net Assets	<u>727,781</u>	<u>720,762</u>
Deductions from Net Assets		
Benefits Paid to Participants	16,522	31,585
Fees	<u>9</u>	<u>173</u>
Total Deductions from Net Assets	<u>16,531</u>	<u>31,758</u>
Net Increase in Assets Available for Benefits	711,250	689,004
Net Assets Available for Benefits		
Beginning of Year	<u>2,173,823</u>	<u>1,484,819</u>
End of Year	<u><u>\$ 2,885,073</u></u>	<u><u>\$ 2,173,823</u></u>

See accompanying notes and auditors' report.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
STATEMENTS OF ACCUMULATED PLAN BENEFITS
JANUARY 1, 2010 AND JANUARY 1, 2009

	<u>01/01/10</u>	<u>01/01/09</u>
Actuarial Present Value of Accumulated Plan Benefits		
Vested Benefits		
Active Participants	\$ 2,419,749	\$ 1,823,698
Participants with deferred benefits	<u>15,590</u>	<u>34,825</u>
Total Vested Benefits	<u>2,435,339</u>	<u>1,858,523</u>
Non-vested Benefits		
Accumulated non-vested benefits	<u>56,929</u>	<u>82,500</u>
Total Accumulated Benefits	<u>\$ 2,492,268</u>	<u>\$ 1,941,023</u>

See accompanying notes and auditors' report.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS
JANUARY 1, 2010 AND JANUARY 1, 2009

	<u>01/01/10</u>	<u>01/01/09</u>
Actuarial Present Value of Accumulated Plan Benefits at Beginning of Year	<u>\$ 1,941,023</u>	<u>\$ 1,555,258</u>
Increase (decrease) during the year attributable to:		
Actuarial experience	486,559	311,884
Decrease in discount period	96,271	85,539
Benefits paid	<u>(31,585)</u>	<u>(11,658)</u>
Net Increase	<u>551,245</u>	<u>385,765</u>
Actuarial Present Value of Accumulated Plan Benefits at End of Year	<u><u>\$ 2,492,268</u></u>	<u><u>\$ 1,941,023</u></u>

See accompanying notes and auditors' report.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE A - DESCRIPTION OF PLAN

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

General

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

Pension Benefits

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

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

Vesting

Plan benefits are vested by the following schedule:

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

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

Death Benefits

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

Contributions

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

Forfeited Amounts

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

Administrative Costs

The Employer absorbs significant costs of the Plan.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Estimates

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

Investment Valuation and Income Recognition

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

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

Payment of Benefits

Benefit payments to participants are recorded upon distributions.

Actuarial Present Value of Accumulated Plan Benefits

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

The actuarial present value of accumulated plan benefits is determined by an actuary from Cuni, Rust and Strenk Actuarial Consulting and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of January 1, 2010 and January 1, 2009 were (a) life expectancy of participants (the 2007 Group Annuity Mortality Table was used), (b) retirement age assumptions of normal retirement age, and (c) investment return. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

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

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE C - FAIR VALUE MEASUREMENTS

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

		Fair Value Measurements at Reporting Date Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Observable Inputs Other Than Quoted Prices for Identical Assets (Level 2)
	<u>Fair Value</u>		
<u>December 31, 2010</u>			
Mutual Funds	\$ 301,698	\$ 301,698	\$ -
Corporate Stocks	1,372,444	1,372,444	-
Corporate Bonds	582,041	-	582,041
Mortgage Pools	41,557	-	41,557
U.S. Government Securities	<u>268,949</u>	<u>-</u>	<u>268,949</u>
Total	<u>\$ 2,566,689</u>	<u>\$ 1,674,142</u>	<u>\$ 892,547</u>
<u>December 31, 2009</u>			
Mutual Funds	\$ 210,138	\$ 210,138	\$ -
Corporate Stocks	894,640	894,640	-
Corporate Bonds	389,130	-	389,130
Mortgage Pools	51,951	-	51,951
U.S. Government Securities	95,307	-	95,307
U.S. Treasuries	<u>74,371</u>	<u>-</u>	<u>74,371</u>
Total	<u>\$ 1,715,537</u>	<u>\$ 1,104,778</u>	<u>\$ 610,759</u>

FASB Accounting Standards Codification 820 *Fair Value Measurements*, (formerly SFAS No. 157), establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Generally accepted accounting principles defines fair value, establishes a framework for measuring fair value, and establishes 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 measurements involving significant unobservable inputs (Level 3 measurements).

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Gains and losses (realized and unrealized) included in changes in net assets available for benefits for the years ended December 31, 2010 and 2009 are reported in net appreciation in fair value of investments.

NOTE D - FUNDING POLICY

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

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

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

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE E - PLAN TERMINATION

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

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

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

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling which is adjusted periodically on the amount of an individual's monthly benefit that the PBGC guarantees. For Plan terminations occurring during 2010 and 2009, that ceiling is \$4,500 per month. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE F - TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated July 28, 2011 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

The Plan has adopted ASC 740-10 as it relates to uncertain tax positions for the years ended December 31, 2010 and 2009 and has evaluated its tax positions taken for all open tax years. Currently the 2010, 2009, 2008 and 2007 tax years are open and subject to examination by the Internal Revenue Service. The Plan is not currently under audit nor has the Plan received notice of intent to audit any prior years.

NOTE G - INVESTMENTS

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

	<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>
Mutual Funds	\$ 301,698	\$ 210,138
Corporate Stocks	1,372,444	894,640
Corporate Bonds	582,041	389,130
Mortgage Pools	41,557	51,951
U.S. Government Securities	<u>268,949</u>	<u>169,678</u>
Total Investments	<u>\$ 2,566,689</u>	<u>\$1,715,537</u>

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

**BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE H - RISKS AND UNCERTAINTIES

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

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

NOTE I - RECONCILIATION OF FINANCIAL STATEMENTS WITH 5500

	<u>2010</u>	<u>2009</u>
Total Net Assets per Audited Financial Statements	<u>\$2,885,073</u>	<u>\$2,173,823</u>
Total Net Assets per 5500	\$2,885,073	\$2,173,822
Rounding	<u>-</u>	<u>1</u>
Adjusted Total per 5500	<u>\$2,885,073</u>	<u>\$2,173,823</u>

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
EIN: 31-1483173
PLAN NUMBER: 003
SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
(HELD AT YEAR END)
DECEMBER 31, 2010

<u>QTY/ UNITS</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>TOTAL COST</u>	<u>MARKET VALUE</u>
-	Cash	-	-	349.00	349.00
-	Schwab Adv Cash Reserves Prem.	-	-	33,110.97	33,110.97
35,000.000	U.S. Treasury Note	2.500%	03/31/13	36,453.60	36,421.88
20,000.000	U.S. Treasury Strips	0.000%	02/15/13	18,706.00	19,685.94
35,000.000	U.S. Treasury Note	1.500%	07/15/12	34,840.04	35,574.21
15,000.000	U.S. Treasury Note	3.625%	02/15/20	14,775.00	15,562.50
10,000.000	U.S. Treasury Infl Index Note	0.625%	04/15/13	9,900.03	10,659.13
10,000.000	U.S. Treasury Infl Index Note	1.375%	07/15/18	9,600.02	10,682.38
15,000.000	Federal Farm Credit Bank	4.875%	02/18/11	15,174.90	15,087.33
15,000.000	Federal Farm Credit Bank	4.875%	12/16/15	15,360.55	16,801.31
35,000.000	Federal Home Loan Mortgage Corp	4.500%	01/15/15	40,101.45	38,666.43
15,000.000	Federal Home Loan Mortgage Corp	5.500%	09/15/11	15,508.83	15,546.84
15,000.000	Federal Home Loan Bank	4.500%	11/15/12	15,290.05	16,055.37
35,000.000	Federal Home Loan Bank	4.500%	09/16/13	36,913.15	38,205.58
15,000.000	Abbott Laboratories	3.750%	03/15/11	15,130.74	15,106.73
25,000.000	American Express Co.	4.875%	07/15/13	26,301.25	26,701.88
15,000.000	AT & T Inc.	4.850%	02/15/14	16,186.95	16,170.12
20,000.000	AutoZone Inc.	4.375%	06/01/13	20,075.00	20,939.82
15,000.000	Avon Products Inc.	5.625%	03/01/14	16,438.20	16,579.94
10,000.000	Bank of New York Mellon	4.950%	11/01/12	10,397.50	10,739.53
25,000.000	Berkshire Hathaway Fin Corp.	4.625%	10/15/13	26,147.49	27,127.50
25,000.000	Blackrock Inc Sr Unsec	3.500%	12/10/14	26,762.50	25,845.20
25,000.000	Cisco Systems Inc.	4.950%	02/15/19	27,084.40	27,250.15
15,000.000	ConocoPhillips	4.750%	10/15/12	15,304.15	16,032.38
25,000.000	Dominion Res Inc.	6.400%	06/15/18	28,203.00	29,079.30
15,000.000	Duke Energy Corp.	5.050%	09/15/19	15,281.65	15,889.46
15,000.000	Emerson Electric Co.	5.375%	10/15/17	15,334.00	16,820.54
20,000.000	General Electric Cap Corp	2.500%	08/11/15	19,924.00	19,817.16
15,000.000	Home Depot Inc.	5.400%	03/01/16	15,557.50	16,768.35
15,000.000	John Deere Capital Corp.	4.950%	12/17/12	15,313.90	16,159.23
25,000.000	Kroger Company	5.500%	02/01/13	26,211.50	26,924.13
25,000.000	Marathon Oil Corp.	6.500%	02/15/14	27,833.55	28,171.78

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
EIN: 31-1483173
PLAN NUMBER: 003
SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
(HELD AT YEAR END)
DECEMBER 31, 2010

<u>QTY/ UNITS</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>TOTAL COST</u>	<u>MARKET VALUE</u>
10,000.000	MetLife Inc.	6.125%	12/01/11	10,352.40	10,489.64
15,000.000	Pacific Gas & Electric Co.	4.800%	03/01/14	14,591.05	16,168.22
25,000.000	Pepsico Inc.	5.000%	06/01/18	28,470.00	27,414.98
15,000.000	PNC Funding Corp.	4.375%	08/11/20	15,284.10	14,800.47
25,000.000	Procter & Gamble Company	4.850%	12/15/15	28,854.50	27,852.35
15,000.000	State Street Corp FDIC	2.150%	04/30/12	15,162.45	15,310.89
25,000.000	Verizon Communications Inc.	5.500%	02/15/18	27,238.55	27,532.23
15,000.000	Wal-Mart Stores Incorporated	4.550%	05/01/13	15,982.20	16,145.96
25,000.000	Walgreen Co.	5.250%	01/15/19	27,836.25	27,748.60
25,000.000	Wells Fargo & Co.	5.000%	11/15/14	27,082.50	26,454.00
40,000.000	FNMA #919604	5.000%	07/01/37	26,387.76	29,086.21
38,609.000	GNMA #658182	6.000%	11/15/36	11,525.56	12,470.64
600.000	Abbott Laboratories	-	-	27,089.83	28,746.00
1,000.000	Aecom Technology Corp.	-	-	25,660.56	27,970.00
600.000	Amgen Inc.	-	-	32,875.26	32,940.00
275.000	Apache Corp.	-	-	24,561.04	32,788.25
1,025.000	Avon Products Inc.	-	-	25,575.09	29,786.50
775.000	Baxter International Inc.	-	-	40,080.92	39,230.50
1,000.000	Blackrock Income Opportunity TR	-	-	11,293.00	9,690.00
900.000	Canadian Natural Resources	-	-	24,038.52	39,978.00
425.000	Chevron Corporation	-	-	27,414.06	38,781.25
1,175.000	Cisco Systems Inc.	-	-	21,186.60	23,770.25
700.000	Cohen & Steers REIT	-	-	11,368.19	10,003.00
525.000	Cullen Frost Bankers	-	-	26,440.28	32,088.00
400.000	Deere & Co.	-	-	22,892.68	33,220.00
1,600.000	Dell Inc.	-	-	28,651.02	21,680.00
475.000	Diageo PLC Sponsored ADR New	-	-	25,109.94	35,306.75
550.000	Dish Network Corp Class A	-	-	13,909.31	10,813.00
1,000.000	Disney Walt Co.	-	-	21,918.37	37,510.00
325.000	FedEx Corporation	-	-	24,604.49	30,228.25
275.000	Franklin Resources Inc.	-	-	18,098.72	30,582.75
50.000	Google Inc. Class A	-	-	25,202.18	29,698.50

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
EIN: 31-1483173
PLAN NUMBER: 003
SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
(HELD AT YEAR END)
DECEMBER 31, 2010

<u>QTY/ UNITS</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>TOTAL COST</u>	<u>MARKET VALUE</u>
750.000	Illinois Tool Works Inc.	-	-	34,206.65	40,050.00
1,250.000	Intel Corp.	-	-	24,164.23	26,287.50
625.000	Kansas City Southern	-	-	11,756.02	29,912.50
225.000	Kimberly-Clark Corp.	-	-	13,958.78	14,184.00
250.000	L-3 Communications Holdings	-	-	19,790.90	17,622.50
1,600.000	Lowes Companies Inc.	-	-	38,888.25	40,128.00
115.000	Mastercard Inc.	-	-	20,580.82	25,772.65
325.000	McDonalds Corp.	-	-	18,038.85	24,947.00
350.000	Medtronic Inc.	-	-	10,939.78	12,981.50
525.000	MetLife Inc.	-	-	21,194.59	23,331.00
1,650.000	Microsoft Corp.	-	-	41,623.67	46,051.50
955.000	Nokia Corporation Sponsored ADR	-	-	16,199.22	9,855.60
550.000	Pepsico Incorporated	-	-	35,664.85	35,931.50
450.000	Procter & Gamble Co.	-	-	24,954.16	28,948.50
7,200.000	Putnam Premier Income Trust	-	-	46,118.72	45,216.00
875.000	Qualcomm Inc.	-	-	34,336.32	43,303.75
850.000	Range Resources Corp.	-	-	36,970.06	38,233.00
450.000	Rio Tinto PLC Sponsored ADR	-	-	14,212.60	32,247.00
500.000	Schlumberger Ltd	-	-	31,100.40	41,750.00
550.000	Scripps Networks Interactive	-	-	17,876.68	28,462.50
600.000	State Street Corp.	-	-	24,363.83	27,804.00
650.000	Target Corporation	-	-	32,397.55	39,084.50
1,450.000	US Bancorp Del New	-	-	35,151.37	39,106.50
375.000	United Technologies Corp.	-	-	19,245.70	29,520.00
1,250.000	Wells Fargo & Co. New	-	-	34,356.43	38,737.50
1,500.000	Western Union Co.	-	-	26,615.09	27,855.00
3,702.057	American EuroPacific Growth	-	-	132,464.38	153,006.02
2,378.149	Harding Loevner Inst Emerging	-	-	38,102.17	41,118.20
922.190	Muhlenkamp Fund	-	-	73,844.43	49,613.82
650.000	Ishares S&P US PFD Fund	-	-	25,223.34	25,220.00
500.000	Wisdomtree Large Cap Div	-	-	24,133.95	23,050.00

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

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

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

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

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

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

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
EIN: 31-1483173
PLAN NUMBER: 003
SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
ACQUIRED AND DISPOSED OF (HELD AT END OF YEAR)
DECEMBER 31, 2010

<u>SECURITY DESCRIPTION</u>	<u>QTY/ UNITS</u>	<u>ACQUISITION COST</u>
PURCHASES		
Abbott Laboratories	150.00	7,195.65
AECOM Technology Corp.	300.00	7,171.35
Amgen Incorporated	200.00	10,495.75
Amgen Incorporated	150.00	8,607.15
Apache Corp.	150.00	12,795.09
Apache Corp.	75.00	6,581.70
Apache Corp.	50.00	5,184.25
Avon Products Inc.	225.00	6,366.20
Baxter International Inc.	175.00	7,911.69
Baxter International Inc.	150.00	7,647.30
Chevron Corporation	100.00	7,195.31
Chevron Corporation	100.00	7,192.75
Cisco Systems Inc.	175.00	4,073.03
Cohen & Steers REIT	350.00	4,129.90
Cullen Frost Bankers	150.00	7,978.65
Cullen Frost Bankers	100.00	5,301.14
Deere & Co.	250.00	14,198.83
Deere & Co.	150.00	8,693.85
FedEx Corporation	150.00	11,107.35
Franklin Resources Inc.	50.00	4,593.95
Google Inc Class A	25.00	13,554.48
Google Inc Class A	25.00	11,647.70
Illinois Tool Works Inc.	525.00	23,671.17
Illinois Tool Works Inc.	225.00	10,535.48
Intel Corp.	325.00	6,562.88
Ishares S&P U S PFD Fund	650.00	25,223.34
Kansas City Southern	125.00	5,543.83
Lowes Companies Inc.	600.00	13,207.35
MasterCard Inc.	40.00	8,504.75
MetLife Inc.	525.00	21,194.59
Microsoft Corp.	675.00	17,084.10
Microsoft Corp.	300.00	8,103.30

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
EIN: 31-1483173
PLAN NUMBER: 003
SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
ACQUIRED AND DISPOSED OF (HELD AT END OF YEAR)
DECEMBER 31, 2010

<u>SECURITY DESCRIPTION</u>	<u>QTY/ UNITS</u>	<u>ACQUISITION COST</u>
Pepsico Incorporated	350.00	22,621.10
Pepsico Incorporated	200.00	13,043.75
Procter & Gamble	125.00	7,926.58
Qualcomm Inc.	475.00	18,914.71
Qualcomm Inc.	150.00	5,698.91
Qualcomm Inc.	250.00	9,722.70
Range Resources Corp.	375.00	18,691.31
Range Resources Corp.	175.00	7,270.10
Range Resources Corp.	300.00	11,008.65
Rio Tinto PLC Spon ADR Fund	170.00	7,120.41
Schlumberger LTD Fund	400.00	23,939.55
Schlumberger LTD Fund	100.00	7,160.85
Scripps Ntwk Interactive	150.00	6,225.30
State Street Corp.	250.00	10,022.70
Target Corporation	150.00	7,480.65
Target Corporation	150.00	8,119.79
U S Bancorp Del New	800.00	20,250.51
U S Bancorp Del New	300.00	6,748.65
U S Bancorp Del New	350.00	8,152.21
United Technologies Corp.	75.00	5,649.38
Verizon Communications	325.00	10,540.94
Wells Fargo & Co New	400.00	10,775.15
Wells Fargo & Co New	300.00	7,804.23
Western Union Company	600.00	10,735.35
American FD EuroPacific	416.34	15,000.00
Harding Loevner Instl	1,171.34	18,000.00
Harding Loevner Instl	1,200.72	20,000.00
American Exp	10,000.00	10,939.38
AutoZone Inc.	10,000.00	10,637.36
Berk Hath Fin	10,000.00	11,149.24
Blackrock	25,000.00	27,127.08
Cisco Systems	15,000.00	15,861.34
Cisco Systems	10,000.00	11,306.25

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
EIN: 31-1483173
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SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
ACQUIRED AND DISPOSED OF (HELD AT END OF YEAR)
DECEMBER 31, 2010

<u>SECURITY DESCRIPTION</u>	<u>QTY/ UNITS</u>	<u>ACQUISITION COST</u>
Dominion Res	15,000.00	17,952.03
Fed Home LN MTG	35,000.00	40,595.83
Fed Home LN BK	20,000.00	22,242.20
General Elec Cap CP FLT	20,000.00	19,943.44
General Elec Cap	10,000.00	10,930.84
Kroger Company	10,000.00	11,059.38
Marathon Oil Corp.	15,000.00	17,167.07
Pepsico	25,000.00	28,754.72
PNC FDG Corp.	15,000.00	15,305.98
Procter & Gamble	25,000.00	29,083.53
U S Treas Note	25,000.00	26,138.74
U S Treas Note	10,000.00	10,490.25
U S Treas Note	15,000.00	14,883.15
Verizon Comm Inc.	10,000.00	11,280.46
Walgreen	10,000.00	11,667.11
Wells Fargo & Co NE	25,000.00	27,422.78

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
EIN: 31-1483173
PLAN NUMBER: 003
SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
ACQUIRED AND DISPOSED OF (HELD AT END OF YEAR)
DECEMBER 31, 2010

<u>SECURITY DESCRIPTION</u>	<u>QTY/ UNITS</u>	<u>PROCEEDS</u>
SALES		
Boston Scientific Corp.	2,000.00	12,937.23
BP PLC ADR	450.00	18,745.17
Cenovus Energy Inc.	300.00	9,066.90
ConocoPhillips	475.00	23,730.57
Dover Corporation	125.00	6,753.16
Encana Corporation	300.00	9,784.55
Frontier Communications	174.00	1,497.14
McCormick & Co Inc N-VT	225.00	9,990.34
Microsoft Corp.	325.00	9,373.06
Questar Corporation	300.00	12,589.01
Scripps Ntwk Interactive	275.00	12,479.64
Sprint Nextel Corp.	1,600.00	5,711.97
United Technologies Corp.	175.00	12,745.90
UTI Worldwide Inc.	1,300.00	19,833.09
Verizon Communications	1,050.00	34,517.57
Muhlenkamp Fund	195.58	10,000.00
Australian Govt	15,000.00	14,947.76
Cisco Systems	15,000.00	16,769.70
General Elec Cap	25,000.00	27,203.50
Goldman Sachs	10,000.00	10,648.50
Transocean Inc.	10,000.00	9,660.00

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

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

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

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

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

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

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

DEFINED BENEFIT PLAN

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT**

YEARS ENDED DECEMBER 31, 2010 AND 2009

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Whitmer

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of net assets available for benefits of Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan as of December 31, 2010 and 2009 and the related statements of changes in net assets available for benefits, accumulated plan benefits, changes in accumulated plan benefits and supplementary schedules of assets held at year end and assets acquired and disposed of, held at end of year, for the years then ended. These financial statements and schedules are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan as of December 31, 2010 and 2009, and the changes in its net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Whitmer & Company CPA's, LLP
Cincinnati, Ohio

September 29, 2011

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2010 AND 2009

ASSETS		<u>2010</u>	<u>2009</u>
Investments (Note G)			
Mutual funds		\$ 301,698	\$ 210,138
Corporate stocks		1,372,444	894,640
Corporate bonds		582,041	389,130
Mortgage pools		41,557	51,951
U.S. Government securities		268,949	95,307
U.S. Treasuries		-	74,371
Total Investments		<u>2,566,689</u>	<u>1,715,537</u>
Receivables			
Contribution receivable		275,978	401,587
Accrued investment income		8,946	6,364
Total Receivables		<u>284,924</u>	<u>407,951</u>
Cash & Cash Equivalents		<u>33,460</u>	<u>50,335</u>
Total Assets		2,885,073	2,173,823
LIABILITIES			
Total Liabilities		<u>-</u>	<u>-</u>
Net Assets Available for Benefits		<u>\$ 2,885,073</u>	<u>\$ 2,173,823</u>

See accompanying notes and auditors' report.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Additions to Net Assets		
Investment Income		
Interest	\$ 29,915	\$ 22,719
Dividends	28,063	24,503
Realized losses on investments	18,312	4,818
Net depreciation in fair value of investments	<u>122,269</u>	<u>267,232</u>
	198,559	319,272
Less investment expenses	<u>-</u>	<u>-</u>
Net Investment Income (Loss)	198,559	319,272
Employer Contribution	<u>529,222</u>	<u>401,490</u>
Total Additions to Net Assets	<u>727,781</u>	<u>720,762</u>
Deductions from Net Assets		
Benefits Paid to Participants	16,522	31,585
Fees	<u>9</u>	<u>173</u>
Total Deductions from Net Assets	<u>16,531</u>	<u>31,758</u>
Net Increase in Assets Available for Benefits	711,250	689,004
Net Assets Available for Benefits		
Beginning of Year	<u>2,173,823</u>	<u>1,484,819</u>
End of Year	<u><u>\$ 2,885,073</u></u>	<u><u>\$ 2,173,823</u></u>

See accompanying notes and auditors' report.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
STATEMENTS OF ACCUMULATED PLAN BENEFITS
JANUARY 1, 2010 AND JANUARY 1, 2009

	<u>01/01/10</u>	<u>01/01/09</u>
Actuarial Present Value of Accumulated Plan Benefits		
Vested Benefits		
Active Participants	\$ 2,419,749	\$ 1,823,698
Participants with deferred benefits	<u>15,590</u>	<u>34,825</u>
Total Vested Benefits	<u>2,435,339</u>	<u>1,858,523</u>
Non-vested Benefits		
Accumulated non-vested benefits	<u>56,929</u>	<u>82,500</u>
Total Accumulated Benefits	<u><u>\$ 2,492,268</u></u>	<u><u>\$ 1,941,023</u></u>

See accompanying notes and auditors' report.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS
JANUARY 1, 2010 AND JANUARY 1, 2009

	<u>01/01/10</u>	<u>01/01/09</u>
Actuarial Present Value of Accumulated Plan Benefits at Beginning of Year	<u>\$ 1,941,023</u>	<u>\$ 1,555,258</u>
Increase (decrease) during the year attributable to:		
Actuarial experience	486,559	311,884
Decrease in discount period	96,271	85,539
Benefits paid	<u>(31,585)</u>	<u>(11,658)</u>
Net Increase	<u>551,245</u>	<u>385,765</u>
Actuarial Present Value of Accumulated Plan Benefits at End of Year	<u><u>\$ 2,492,268</u></u>	<u><u>\$ 1,941,023</u></u>

See accompanying notes and auditors' report.

**BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE A - DESCRIPTION OF PLAN

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

General

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

Pension Benefits

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

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

Vesting

Plan benefits are vested by the following schedule:

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

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

Death Benefits

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

Contributions

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

Forfeited Amounts

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

Administrative Costs

The Employer absorbs significant costs of the Plan.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Estimates

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

Investment Valuation and Income Recognition

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

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

Payment of Benefits

Benefit payments to participants are recorded upon distributions.

Actuarial Present Value of Accumulated Plan Benefits

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

The actuarial present value of accumulated plan benefits is determined by an actuary from Cuni, Rust and Strenk Actuarial Consulting and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of January 1, 2010 and January 1, 2009 were (a) life expectancy of participants (the 2007 Group Annuity Mortality Table was used), (b) retirement age assumptions of normal retirement age, and (c) investment return. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

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

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE C - FAIR VALUE MEASUREMENTS

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

		Fair Value Measurements at Reporting Date Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Observable Inputs Other Than Quoted Prices for Identical Assets (Level 2)
	<u>Fair Value</u>		
<u>December 31, 2010</u>			
Mutual Funds	\$ 301,698	\$ 301,698	\$ -
Corporate Stocks	1,372,444	1,372,444	-
Corporate Bonds	582,041	-	582,041
Mortgage Pools	41,557	-	41,557
U.S. Government Securities	<u>268,949</u>	<u>-</u>	<u>268,949</u>
Total	<u>\$ 2,566,689</u>	<u>\$ 1,674,142</u>	<u>\$ 892,547</u>
<u>December 31, 2009</u>			
Mutual Funds	\$ 210,138	\$ 210,138	\$ -
Corporate Stocks	894,640	894,640	-
Corporate Bonds	389,130	-	389,130
Mortgage Pools	51,951	-	51,951
U.S. Government Securities	95,307	-	95,307
U.S. Treasuries	<u>74,371</u>	<u>-</u>	<u>74,371</u>
Total	<u>\$ 1,715,537</u>	<u>\$ 1,104,778</u>	<u>\$ 610,759</u>

FASB Accounting Standards Codification 820 *Fair Value Measurements*, (formerly SFAS No. 157), establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Generally accepted accounting principles defines fair value, establishes a framework for measuring fair value, and establishes 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 measurements involving significant unobservable inputs (Level 3 measurements).

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Gains and losses (realized and unrealized) included in changes in net assets available for benefits for the years ended December 31, 2010 and 2009 are reported in net appreciation in fair value of investments.

NOTE D - FUNDING POLICY

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

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

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

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE E - PLAN TERMINATION

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

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

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

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling which is adjusted periodically on the amount of an individual's monthly benefit that the PBGC guarantees. For Plan terminations occurring during 2010 and 2009, that ceiling is \$4,500 per month. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE F - TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated July 28, 2011 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

The Plan has adopted ASC 740-10 as it relates to uncertain tax positions for the years ended December 31, 2010 and 2009 and has evaluated its tax positions taken for all open tax years. Currently the 2010, 2009, 2008 and 2007 tax years are open and subject to examination by the Internal Revenue Service. The Plan is not currently under audit nor has the Plan received notice of intent to audit any prior years.

NOTE G - INVESTMENTS

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

	<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>
Mutual Funds	\$ 301,698	\$ 210,138
Corporate Stocks	1,372,444	894,640
Corporate Bonds	582,041	389,130
Mortgage Pools	41,557	51,951
U.S. Government Securities	<u>268,949</u>	<u>169,678</u>
 Total Investments	 <u>\$ 2,566,689</u>	 <u>\$1,715,537</u>

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

BEACON ORTHOPAEDICS & SPORTS MEDICINE, LTD.
DEFINED BENEFIT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE H - RISKS AND UNCERTAINTIES

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

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

NOTE I - RECONCILIATION OF FINANCIAL STATEMENTS WITH 5500

	<u>2010</u>	<u>2009</u>
Total Net Assets per Audited Financial Statements	<u>\$2,885,073</u>	<u>\$2,173,823</u>
Total Net Assets per 5500	\$2,885,073	\$2,173,822
Rounding	<u>-</u>	<u>1</u>
Adjusted Total per 5500	<u>\$2,885,073</u>	<u>\$2,173,823</u>

SUPPLEMENTARY INFORMATION

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
EIN: 31-1483173
PLAN NUMBER: 003
SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
(HELD AT YEAR END)
DECEMBER 31, 2010

<u>QTY/ UNITS</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>TOTAL COST</u>	<u>MARKET VALUE</u>
-	Cash	-	-	349.00	349.00
-	Schwab Adv Cash Reserves Prem.	-	-	33,110.97	33,110.97
35,000.000	U.S. Treasury Note	2.500%	03/31/13	36,453.60	36,421.88
20,000.000	U.S. Treasury Strips	0.000%	02/15/13	18,706.00	19,685.94
35,000.000	U.S. Treasury Note	1.500%	07/15/12	34,840.04	35,574.21
15,000.000	U.S. Treasury Note	3.625%	02/15/20	14,775.00	15,562.50
10,000.000	U.S. Treasury Infl Index Note	0.625%	04/15/13	9,900.03	10,659.13
10,000.000	U.S. Treasury Infl Index Note	1.375%	07/15/18	9,600.02	10,682.38
15,000.000	Federal Farm Credit Bank	4.875%	02/18/11	15,174.90	15,087.33
15,000.000	Federal Farm Credit Bank	4.875%	12/16/15	15,360.55	16,801.31
35,000.000	Federal Home Loan Mortgage Corp	4.500%	01/15/15	40,101.45	38,666.43
15,000.000	Federal Home Loan Mortgage Corp	5.500%	09/15/11	15,508.83	15,546.84
15,000.000	Federal Home Loan Bank	4.500%	11/15/12	15,290.05	16,055.37
35,000.000	Federal Home Loan Bank	4.500%	09/16/13	36,913.15	38,205.58
15,000.000	Abbott Laboratories	3.750%	03/15/11	15,130.74	15,106.73
25,000.000	American Express Co.	4.875%	07/15/13	26,301.25	26,701.88
15,000.000	AT & T Inc.	4.850%	02/15/14	16,186.95	16,170.12
20,000.000	AutoZone Inc.	4.375%	06/01/13	20,075.00	20,939.82
15,000.000	Avon Products Inc.	5.625%	03/01/14	16,438.20	16,579.94
10,000.000	Bank of New York Mellon	4.950%	11/01/12	10,397.50	10,739.53
25,000.000	Berkshire Hathaway Fin Corp.	4.625%	10/15/13	26,147.49	27,127.50
25,000.000	Blackrock Inc Sr Unsec	3.500%	12/10/14	26,762.50	25,845.20
25,000.000	Cisco Systems Inc.	4.950%	02/15/19	27,084.40	27,250.15
15,000.000	ConocoPhillips	4.750%	10/15/12	15,304.15	16,032.38
25,000.000	Dominion Res Inc.	6.400%	06/15/18	28,203.00	29,079.30
15,000.000	Duke Energy Corp.	5.050%	09/15/19	15,281.65	15,889.46
15,000.000	Emerson Electric Co.	5.375%	10/15/17	15,334.00	16,820.54
20,000.000	General Electric Cap Corp	2.500%	08/11/15	19,924.00	19,817.16
15,000.000	Home Depot Inc.	5.400%	03/01/16	15,557.50	16,768.35
15,000.000	John Deere Capital Corp.	4.950%	12/17/12	15,313.90	16,159.23
25,000.000	Kroger Company	5.500%	02/01/13	26,211.50	26,924.13
25,000.000	Marathon Oil Corp.	6.500%	02/15/14	27,833.55	28,171.78

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
EIN: 31-1483173
PLAN NUMBER: 003
SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
(HELD AT YEAR END)
DECEMBER 31, 2010

<u>QTY/ UNITS</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>TOTAL COST</u>	<u>MARKET VALUE</u>
10,000.000	MetLife Inc.	6.125%	12/01/11	10,352.40	10,489.64
15,000.000	Pacific Gas & Electric Co.	4.800%	03/01/14	14,591.05	16,168.22
25,000.000	Pepsico Inc.	5.000%	06/01/18	28,470.00	27,414.98
15,000.000	PNC Funding Corp.	4.375%	08/11/20	15,284.10	14,800.47
25,000.000	Procter & Gamble Company	4.850%	12/15/15	28,854.50	27,852.35
15,000.000	State Street Corp FDIC	2.150%	04/30/12	15,162.45	15,310.89
25,000.000	Verizon Communications Inc.	5.500%	02/15/18	27,238.55	27,532.23
15,000.000	Wal-Mart Stores Incorporated	4.550%	05/01/13	15,982.20	16,145.96
25,000.000	Walgreen Co.	5.250%	01/15/19	27,836.25	27,748.60
25,000.000	Wells Fargo & Co.	5.000%	11/15/14	27,082.50	26,454.00
40,000.000	FNMA #919604	5.000%	07/01/37	26,387.76	29,086.21
38,609.000	GNMA #658182	6.000%	11/15/36	11,525.56	12,470.64
600.000	Abbott Laboratories	-	-	27,089.83	28,746.00
1,000.000	Aecom Technology Corp.	-	-	25,660.56	27,970.00
600.000	Amgen Inc.	-	-	32,875.26	32,940.00
275.000	Apache Corp.	-	-	24,561.04	32,788.25
1,025.000	Avon Products Inc.	-	-	25,575.09	29,786.50
775.000	Baxter International Inc.	-	-	40,080.92	39,230.50
1,000.000	Blackrock Income Opportunity TR	-	-	11,293.00	9,690.00
900.000	Canadian Natural Resources	-	-	24,038.52	39,978.00
425.000	Chevron Corporation	-	-	27,414.06	38,781.25
1,175.000	Cisco Systems Inc.	-	-	21,186.60	23,770.25
700.000	Cohen & Steers REIT	-	-	11,368.19	10,003.00
525.000	Cullen Frost Bankers	-	-	26,440.28	32,088.00
400.000	Deere & Co.	-	-	22,892.68	33,220.00
1,600.000	Dell Inc.	-	-	28,651.02	21,680.00
475.000	Diageo PLC Sponsored ADR New	-	-	25,109.94	35,306.75
550.000	Dish Network Corp Class A	-	-	13,909.31	10,813.00
1,000.000	Disney Walt Co.	-	-	21,918.37	37,510.00
325.000	FedEx Corporation	-	-	24,604.49	30,228.25
275.000	Franklin Resources Inc.	-	-	18,098.72	30,582.75
50.000	Google Inc. Class A	-	-	25,202.18	29,698.50

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
EIN: 31-1483173
PLAN NUMBER: 003
SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
(HELD AT YEAR END)
DECEMBER 31, 2010

<u>QTY/ UNITS</u>	<u>SECURITY DESCRIPTION</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>TOTAL COST</u>	<u>MARKET VALUE</u>
750.000	Illinois Tool Works Inc.	-	-	34,206.65	40,050.00
1,250.000	Intel Corp.	-	-	24,164.23	26,287.50
625.000	Kansas City Southern	-	-	11,756.02	29,912.50
225.000	Kimberly-Clark Corp.	-	-	13,958.78	14,184.00
250.000	L-3 Communications Holdings	-	-	19,790.90	17,622.50
1,600.000	Lowes Companies Inc.	-	-	38,888.25	40,128.00
115.000	Mastercard Inc.	-	-	20,580.82	25,772.65
325.000	McDonalds Corp.	-	-	18,038.85	24,947.00
350.000	Medtronic Inc.	-	-	10,939.78	12,981.50
525.000	MetLife Inc.	-	-	21,194.59	23,331.00
1,650.000	Microsoft Corp.	-	-	41,623.67	46,051.50
955.000	Nokia Corporation Sponsored ADR	-	-	16,199.22	9,855.60
550.000	Pepsico Incorporated	-	-	35,664.85	35,931.50
450.000	Procter & Gamble Co.	-	-	24,954.16	28,948.50
7,200.000	Putnam Premier Income Trust	-	-	46,118.72	45,216.00
875.000	Qualcomm Inc.	-	-	34,336.32	43,303.75
850.000	Range Resources Corp.	-	-	36,970.06	38,233.00
450.000	Rio Tinto PLC Sponsored ADR	-	-	14,212.60	32,247.00
500.000	Schlumberger Ltd	-	-	31,100.40	41,750.00
550.000	Scripps Networks Interactive	-	-	17,876.68	28,462.50
600.000	State Street Corp.	-	-	24,363.83	27,804.00
650.000	Target Corporation	-	-	32,397.55	39,084.50
1,450.000	US Bancorp Del New	-	-	35,151.37	39,106.50
375.000	United Technologies Corp.	-	-	19,245.70	29,520.00
1,250.000	Wells Fargo & Co. New	-	-	34,356.43	38,737.50
1,500.000	Western Union Co.	-	-	26,615.09	27,855.00
3,702.057	American EuroPacific Growth	-	-	132,464.38	153,006.02
2,378.149	Harding Loevner Inst Emerging	-	-	38,102.17	41,118.20
922.190	Muhlenkamp Fund	-	-	73,844.43	49,613.82
650.000	Ishares S&P US PFD Fund	-	-	25,223.34	25,220.00
500.000	Wisdomtree Large Cap Div	-	-	24,133.95	23,050.00

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

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

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

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

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

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

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
EIN: 31-1483173
PLAN NUMBER: 003
SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
ACQUIRED AND DISPOSED OF (HELD AT END OF YEAR)
DECEMBER 31, 2010

<u>SECURITY DESCRIPTION</u>	<u>QTY/ UNITS</u>	<u>ACQUISITION COST</u>
PURCHASES		
Abbott Laboratories	150.00	7,195.65
AECOM Technology Corp.	300.00	7,171.35
Amgen Incorporated	200.00	10,495.75
Amgen Incorporated	150.00	8,607.15
Apache Corp.	150.00	12,795.09
Apache Corp.	75.00	6,581.70
Apache Corp.	50.00	5,184.25
Avon Products Inc.	225.00	6,366.20
Baxter International Inc.	175.00	7,911.69
Baxter International Inc.	150.00	7,647.30
Chevron Corporation	100.00	7,195.31
Chevron Corporation	100.00	7,192.75
Cisco Systems Inc.	175.00	4,073.03
Cohen & Steers REIT	350.00	4,129.90
Cullen Frost Bankers	150.00	7,978.65
Cullen Frost Bankers	100.00	5,301.14
Deere & Co.	250.00	14,198.83
Deere & Co.	150.00	8,693.85
FedEx Corporation	150.00	11,107.35
Franklin Resources Inc.	50.00	4,593.95
Google Inc Class A	25.00	13,554.48
Google Inc Class A	25.00	11,647.70
Illinois Tool Works Inc.	525.00	23,671.17
Illinois Tool Works Inc.	225.00	10,535.48
Intel Corp.	325.00	6,562.88
Ishares S&P U S PFD Fund	650.00	25,223.34
Kansas City Southern	125.00	5,543.83
Lowes Companies Inc.	600.00	13,207.35
MasterCard Inc.	40.00	8,504.75
MetLife Inc.	525.00	21,194.59
Microsoft Corp.	675.00	17,084.10
Microsoft Corp.	300.00	8,103.30

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
EIN: 31-1483173
PLAN NUMBER: 003
SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
ACQUIRED AND DISPOSED OF (HELD AT END OF YEAR)
DECEMBER 31, 2010

<u>SECURITY DESCRIPTION</u>	<u>QTY/ UNITS</u>	<u>ACQUISITION COST</u>
Pepsico Incorporated	350.00	22,621.10
Pepsico Incorporated	200.00	13,043.75
Procter & Gamble	125.00	7,926.58
Qualcomm Inc.	475.00	18,914.71
Qualcomm Inc.	150.00	5,698.91
Qualcomm Inc.	250.00	9,722.70
Range Resources Corp.	375.00	18,691.31
Range Resources Corp.	175.00	7,270.10
Range Resources Corp.	300.00	11,008.65
Rio Tinto PLC Spon ADR Fund	170.00	7,120.41
Schlumberger LTD Fund	400.00	23,939.55
Schlumberger LTD Fund	100.00	7,160.85
Scripps Ntwk Interactive	150.00	6,225.30
State Street Corp.	250.00	10,022.70
Target Corporation	150.00	7,480.65
Target Corporation	150.00	8,119.79
U S Bancorp Del New	800.00	20,250.51
U S Bancorp Del New	300.00	6,748.65
U S Bancorp Del New	350.00	8,152.21
United Technologies Corp.	75.00	5,649.38
Verizon Communications	325.00	10,540.94
Wells Fargo & Co New	400.00	10,775.15
Wells Fargo & Co New	300.00	7,804.23
Western Union Company	600.00	10,735.35
American FD EuroPacific	416.34	15,000.00
Harding Loevner Instl	1,171.34	18,000.00
Harding Loevner Instl	1,200.72	20,000.00
American Exp	10,000.00	10,939.38
AutoZone Inc.	10,000.00	10,637.36
Berk Hath Fin	10,000.00	11,149.24
Blackrock	25,000.00	27,127.08
Cisco Systems	15,000.00	15,861.34
Cisco Systems	10,000.00	11,306.25

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
EIN: 31-1483173
PLAN NUMBER: 003
SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
ACQUIRED AND DISPOSED OF (HELD AT END OF YEAR)
DECEMBER 31, 2010

<u>SECURITY DESCRIPTION</u>	<u>QTY/ UNITS</u>	<u>ACQUISITION COST</u>
Dominion Res	15,000.00	17,952.03
Fed Home LN MTG	35,000.00	40,595.83
Fed Home LN BK	20,000.00	22,242.20
General Elec Cap CP FLT	20,000.00	19,943.44
General Elec Cap	10,000.00	10,930.84
Kroger Company	10,000.00	11,059.38
Marathon Oil Corp.	15,000.00	17,167.07
Pepsico	25,000.00	28,754.72
PNC FDG Corp.	15,000.00	15,305.98
Procter & Gamble	25,000.00	29,083.53
U S Treas Note	25,000.00	26,138.74
U S Treas Note	10,000.00	10,490.25
U S Treas Note	15,000.00	14,883.15
Verizon Comm Inc.	10,000.00	11,280.46
Walgreen	10,000.00	11,667.11
Wells Fargo & Co NE	25,000.00	27,422.78

BEACON ORTHOPAEDICS & SPORTS MEDICINE LTD
DEFINED BENEFIT PLAN
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PLAN NUMBER: 003
SCHEDULE H, LINE4i-SUPPLEMENTARY SCHEDULE OF ASSETS
ACQUIRED AND DISPOSED OF (HELD AT END OF YEAR)
DECEMBER 31, 2010

<u>SECURITY DESCRIPTION</u>	<u>QTY/ UNITS</u>	<u>PROCEEDS</u>
SALES		
Boston Scientific Corp.	2,000.00	12,937.23
BP PLC ADR	450.00	18,745.17
Cenovus Energy Inc.	300.00	9,066.90
ConocoPhillips	475.00	23,730.57
Dover Corporation	125.00	6,753.16
Encana Corporation	300.00	9,784.55
Frontier Communications	174.00	1,497.14
McCormick & Co Inc N-VT	225.00	9,990.34
Microsoft Corp.	325.00	9,373.06
Questar Corporation	300.00	12,589.01
Scripps Ntwk Interactive	275.00	12,479.64
Sprint Nextel Corp.	1,600.00	5,711.97
United Technologies Corp.	175.00	12,745.90
UTI Worldwide Inc.	1,300.00	19,833.09
Verizon Communications	1,050.00	34,517.57
Muhlenkamp Fund	195.58	10,000.00
Australian Govt	15,000.00	14,947.76
Cisco Systems	15,000.00	16,769.70
General Elec Cap	25,000.00	27,203.50
Goldman Sachs	10,000.00	10,648.50
Transocean Inc.	10,000.00	9,660.00

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

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

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

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

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

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

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

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

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

OMB No. 1210-0110

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

► Round off amounts to nearest dollar.

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

A Name of plan

Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan

**B Three-digit
plan number (PN) ►**

003

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-EZ

Beacon Orthopaedics & Sports Medicine, Ltd.

D Employer Identification Number (EIN)

31-1483173

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500**Part I Basic Information****1** Enter the valuation date: Month 01 Day 01 Year 2010**2 Assets:**

	2a	2b
a Market value	2,158,523	
b Actuarial value		2,158,523

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	0	0
b For terminated vested participants	23	14,738
c For active participants:		
(1) Non-vested benefits		47,824
(2) Vested benefits		2,333,394
(3) Total active	204	2,381,218
d Total	227	2,395,956

4 If the plan is at-risk, check the box and complete lines a and b

	4a	4b
a Funding target disregarding prescribed at-risk assumptions		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor		

5 Effective interest rate 5 5.96**6 Target normal cost** 6 440,708**Statement by Enrolled Actuary**

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

SIGN
HERE

JAB

Signature of actuary

Jessica A. Birkle

Type or print name of actuary

Cuni, Rust & Strenk, Inc.

Firm name

4540 Cooper Road, Suite 304

US Cincinnati

OH 45242

Address of the firm

07/06/2011

Date

11-07693

Most recent enrollment number

(513) 891-0270

Telephone number (including area code)

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

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

Schedule SB (Form 5500) 2010
v.092308.1

2010 Schedule SB, line 19 – Discounted Employer Contributions

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

EIN: 31-1483173

PIN: 003

Effective Interest Rate: 5.96%

Effective Interest Rate for Late Quarterlies: 10.96%

<u>Date</u>	<u>Contribution Amount</u>	<u># Days to 1/1/2010</u>	<u>Discounted Contributions @ 5.96%</u>	<u>Deposit Description</u>	<u>Effective Interest Rate</u>
10/8/2010	\$99	280	\$93	Late Quarterly	10.96%
10/14/2010	84,283	286	\$78,715	Late Quarterly	10.96%
10/14/2010	84,382	286	79,718	Late Quarterly	10.96%
10/14/2010	84,481	286	80,734	Quarterly	5.96%
1/10/2011	84,382	374	79,522	Quarterly	5.96%
6/21/2011	191,595	536	175,980	Remaining Dep	5.96%
Total	\$529,222		\$494,762		

2010 Schedule SB, line 22 -- Description of Weighted Average Retirement Age
Plan Name: Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan
EIN: 31-1483173
PN: 003

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

Weighted Average Retirement Age

52.0

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

2010 Schedule SB, Line 25 Change in Method

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

EIN: 31-1483173

PN: 003

Effective with the January 1, 2010 valuation, the following method was changed:

- The interest rates used to determine the Target Liability were changed from the full yield curve determined as of the second month preceding the valuation date to the tiered segment rates determined as of the valuation date.

2010 Schedule SB, Part V – Plan Provisions

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

EIN: 31-1483173

PN: 003

1. Effective Date: January 1, 2002.

2. Plan Year: January 1st through December 31st.

3. Eligibility: January 1st or July 1st following the attainment of age 21 and the completion of 1 year of service.

4. Average Compensation: Average of the three highest years' earnings.

5. Vesting Service: Years of Vesting Service are measured on the twelve-month period beginning with date of employment and on each subsequent anniversary of date of employment. Vesting Service equals the total number of twelve-month periods during which at least 1,000 Hours of Service are credited.

6. Benefit Service: One Year of Benefit Service is granted for at least 1,000 Hours of Service worked during the Plan Year.

2010 Schedule SB, Part V – Plan Provisions

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

EIN: 31-1483173

PN: 003

7. Normal Retirement:

a. Eligibility

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

b. Monthly Benefit

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

8. Early Retirement:

a. Eligibility

There is no Early Retirement Benefit under the Plan.

b. Monthly Benefit

N/A

9. Late Retirement:

a. Eligibility

Beyond Normal Retirement Age.

b. Monthly Benefit

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

10. Vested Retirement:

a. Eligibility

2 Years of Vesting Service. Participants vest 20% after two Years of Service plus 20% each year thereafter to 100% after six Years of Service.

2010 Schedule SB, Part V – Plan Provisions

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

EIN: 31-1483173

PN: 003

b. Monthly Benefit

Calculated as for Normal Retirement based on Benefit Service and Average Compensation as of date of separation, times the participant's vesting percentage.

11. Disability Retirement:

a. Eligibility

Total and permanent disability.

b. Monthly Benefit

Calculated as for Normal Retirement based on Benefit Service and Average Compensation as of date of separation, times the participant's vesting percentage.

12. Pre-Retirement Death:

a. Eligibility

A Participant with an Accrued Benefit.

b. Monthly Benefit

The Actuarial Present Value of the Participant's Accrued Benefit.

13. Payment Forms:

a. Normal

Life annuity for single participants and an Actuarially Equivalent 50% Joint & Survivor annuity for married participants.

b. Optional

Actuarially equivalent single premium, nontransferable annuity, periodic installment payments, or lump sum distribution.

2010 Schedule SB, Part V – Plan Provisions

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

EIN: 31-1483173

PN: 003

14. Actuarial Equivalency:

a. Other than Lump Sums

Pre-retirement: No mortality and 5.00% interest.
Post-retirement: 1994 Group Annuity Reserve Table, blended 50% male and 50% female and 5.00% interest.

b. Lump Sums

Pre-retirement: No mortality and interest rate determined under IRC Section 417(e).
Post-retirement: 1994 Group Annuity Reserve Table, blended 50% male and 50% female and interest rate determined under IRC section 417(e).

15. Maximum Annual Benefit:

\$195,000 per year for participants retiring at age 62 and later during the 2010 Plan Year.

16. Changes Since Last Year:

None.

2010 Schedule SB, Line 32 --Schedule of Amortization Bases

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

EIN: 31-1483173

PN: 003

<u>Type</u>	<u>Present Value of Remaining Installments</u>	<u>Date Established</u>	<u>Rem. Years</u>	<u>Amortization Installment</u>
Shortfall	\$ 16,794	01/01/2010	7	\$ 2,807
Shortfall	\$ 124,801	01/01/2009	6	\$ 23,530
	<u>\$ 141,595</u>			<u>\$ 26,337</u>

2010 Schedule SB, Part V – Actuarial Assumptions
Plan Name: Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan
EIN: 31-1483173
PN: 003

1. Interest Rates:

Funding

Segment 1	4.60%
Segment 2	6.65%
Segment 3	6.76%

Post-retirement Lump Sum Rate	5.00%
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2. Mortality Rates:

Pre-retirement: None.

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

3. Salary Scale: 0.00%.

4. Retirement Ages: Normal Retirement Age or Attained Age, if later.

5. Termination Rates: None.

6. Disability Rates: None.

2010 Schedule SB, Part V – Actuarial Assumptions

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

EIN: 31-1483173

PN: 003

- | | |
|-------------------------------------|--|
| 7. <u>Plan Expenses:</u> | None. |
| 8. <u>Actuarial Cost Method:</u> | Unit Credit under PPA rules. |
| 9. <u>Asset Valuation Method:</u> | Market Value of all trust investments, plus any accrued contributions as of the Valuation Date. |
| 10. <u>Employee Data:</u> | An employee census was supplied by Tri-State Plan Administration, Inc. and included all employees in the Eligible Class. We did not audit the census. |
| 11. <u>Asset Data:</u> | Asset data and contribution amounts and dates were supplied by Tri-State Plan Administration, Inc. We did not audit the data. |
| 12. <u>Changes Since Last Year:</u> | The interest rates used to determine the Target Liability were changed from the full yield curve for the second month preceding the valuation date to the tiered segment rates with transition of 4.60%, 6.65% and 6.76% as indicated above and as permitted by IRS regulations. |

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

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

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

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

Part I Basic Information

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2010</u>			
2 Assets:			
a Market value	2a		2,158,523
b Actuarial value	2b		2,158,523
3 Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	0	0
b For terminated vested participants	3b	23	14,738
c For active participants:			
(1) Non-vested benefits	3c(1)		47,824
(2) Vested benefits	3c(2)		2,333,394
(3) Total active	3c(3)	204	2,381,218
d Total	3d	227	2,395,956
4 If the plan is at-risk, check the box and complete lines a and b ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate		5	5.96
6 Target normal cost		6	440,708

Statement by Enrolled Actuary

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

SIGN HERE JAB Signature of actuary Jessica A. Birkle Type or print name of actuary Cuni, Rust & Strenk, Inc. Firm name 4540 Cooper Road, Suite 304 US Cincinnati OH 45242 Address of the firm	07/06/2011 Date 11-07693 Most recent enrollment number (513) 891-0270 Telephone number (including area code)
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2010
v.092308.1

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (item 13 from prior year)	0	0
8 Portion used to offset prior year's funding requirement (item 35 from prior year)	0	0
9 Amount remaining (item 7 minus item 8)	0	0
10 Interest on item 9 using prior year's actual return of <u>19.20 %</u>	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (item 38 from prior year)		19,559
b Interest on (a) using prior year's effective rate of <u>8.15 %</u>		1,594
c Total available at beginning of current plan year to add to prefunding balance . . .		21,153
d Portion of item (c) to be added to prefunding balance		0
12 Reduction in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12).	0	0

14	Funding target attainment percentage	14	90.09	%
15	Adjusted funding target attainment percentage	15	90.09	%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	86.29	%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17		%

18 Contributions made to the plan for the the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
10/08/2010	99				
10/14/2010	84,283				
10/14/2010	84,382				
10/14/2010	84,481				
01/10/2011	84,382				
06/21/2011	191,595				
			Totals ▶	18(b) 529,222	18(c)

a Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	494,762

a. Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b. If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☒ No

c. If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:			
a Segment rates:	1st segment 4.60 %	2nd segment 6.65 %	3rd segment 6.76 %
			☐ N/A, full yield curve used
b Applicable month (enter code)			21b 0
22 Weighted average retirement age			22 52
23 Mortality table(s) (see instructions) ☒ Prescribed -- combined ☐ Prescribed -- separate ☐ Substitute			

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31 440,708
32 Amortization installments:	
a Net shortfall amortization installment	141,595
b Waiver amortization installment	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34 467,045
35 Balances used to offset funding requirement	
Carryover balance 0	Prefunding Balance 0
Total balance 0	
36 Additional cash requirement (item 34 minus item 35)	36 467,045
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (item 19c)	37 494,762
38 Interest-adjusted excess contributions for current year (see instructions)	38 27,717
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39
40 Unpaid minimum required contribution for all years	40

2010 Schedule SB, Part V – Plan Provisions

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

EIN: 31-1483173

PN: 003

1. Effective Date: January 1, 2002.

2. Plan Year: January 1st through December 31st.

3. Eligibility: January 1st or July 1st following the attainment of age 21 and the completion of 1 year of service.

4. Average Compensation: Average of the three highest years' earnings.

5. Vesting Service: Years of Vesting Service are measured on the twelve-month period beginning with date of employment and on each subsequent anniversary of date of employment. Vesting Service equals the total number of twelve-month periods during which at least 1,000 Hours of Service are credited.

6. Benefit Service: One Year of Benefit Service is granted for at least 1,000 Hours of Service worked during the Plan Year.

2010 Schedule SB, Part V – Plan Provisions

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

EIN: 31-1483173

PN: 003

7. Normal Retirement:

a. Eligibility

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

b. Monthly Benefit

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

8. Early Retirement:

a. Eligibility

There is no Early Retirement Benefit under the Plan.

b. Monthly Benefit

N/A

9. Late Retirement:

a. Eligibility

Beyond Normal Retirement Age.

b. Monthly Benefit

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

10. Vested Retirement:

a. Eligibility

2 Years of Vesting Service. Participants vest 20% after two Years of Service plus 20% each year thereafter to 100% after six Years of Service.

2010 Schedule SB, Part V – Plan Provisions

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

EIN: 31-1483173

PN: 003

b. Monthly Benefit

Calculated as for Normal Retirement based on Benefit Service and Average Compensation as of date of separation, times the participant's vesting percentage.

11. Disability Retirement:

a. Eligibility

Total and permanent disability.

b. Monthly Benefit

Calculated as for Normal Retirement based on Benefit Service and Average Compensation as of date of separation, times the participant's vesting percentage.

12. Pre-Retirement Death:

a. Eligibility

A Participant with an Accrued Benefit.

b. Monthly Benefit

The Actuarial Present Value of the Participant's Accrued Benefit.

13. Payment Forms:

a. Normal

Life annuity for single participants and an Actuarially Equivalent 50% Joint & Survivor annuity for married participants.

b. Optional

Actuarially equivalent single premium, nontransferable annuity, periodic installment payments, or lump sum distribution.

2010 Schedule SB, Part V – Plan Provisions

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

EIN: 31-1483173

PN: 003

14. Actuarial Equivalency:

a. Other than Lump Sums

Pre-retirement: No mortality and 5.00% interest.
Post-retirement: 1994 Group Annuity Reserve Table, blended 50% male and 50% female and 5.00% interest.

b. Lump Sums

Pre-retirement: No mortality and interest rate determined under IRC Section 417(e).
Post-retirement: 1994 Group Annuity Reserve Table, blended 50% male and 50% female and interest rate determined under IRC section 417(e).

15. Maximum Annual Benefit:

\$195,000 per year for participants retiring at age 62 and later during the 2010 Plan Year.

16. Changes Since Last Year:

None.

Active Participants as of January 1, 2010

Total Years of Service

Age Group	<u>< 1</u>	<u>1-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35 +</u>	<u>Total</u>
< 19	0	0	0	0	0	0	0	0	0	0
20-24	0	11	0	0	0	0	0	0	0	11
25-29	0	39	3	0	0	0	0	0	0	42
30-34	0	26	3	0	0	0	0	0	0	29
35-39	0	18	8	1	1	0	0	0	0	28
40-44	0	24	2	1	2	1	0	0	0	30
45-49	0	10	3	6	0	1	0	0	0	20
50-54	0	11	6	2	3	1	0	0	0	23
55-59	0	2	4	2	0	0	0	0	0	8
60-64	0	5	1	2	0	2	0	0	1	11
65-69	0	1	1	0	0	0	0	0	0	2
70 +	0	0	0	0	0	0	0	0	0	0
Total	0	147	31	14	6	5	0	0	1	204

Average Age: 39.1 Years
Average Service: 5.1 Years

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

2010 Schedule SB, Line 32 --Schedule of Amortization Bases

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

EIN: 31-1483173

PN: 003

<u>Type</u>	<u>Present Value of Remaining Installments</u>	<u>Date Established</u>	<u>Rem. Years</u>	<u>Amortization Installment</u>
Shortfall	\$ 16,794	01/01/2010	7	\$ 2,807
Shortfall	\$ 124,801	01/01/2009	6	\$ 23,530
	<u>\$ 141,595</u>			<u>\$ 26,337</u>

2010 Schedule SB, line 22 -- Description of Weighted Average Retirement Age
Plan Name: Beacon Orthopaedics & Sports Medicine, Ltd. Defined Benefit Plan
EIN: 31-1483173
PN: 003

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

Weighted Average Retirement Age

52.0

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

2010 Schedule SB, Part V – Actuarial Assumptions

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

EIN: 31-1483173

PN: 003

1. Interest Rates:

Funding

Segment 1	4.60%
Segment 2	6.65%
Segment 3	6.76%
Post-retirement Lump Sum Rate	5.00%

2. Mortality Rates:

Pre-retirement: None.

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

3. Salary Scale: 0.00%.

4. Retirement Ages: Normal Retirement Age or Attained Age, if later.

5. Termination Rates: None.

6. Disability Rates: None.

2010 Schedule SB, Part V – Actuarial Assumptions

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

EIN: 31-1483173

PN: 003

- | | |
|-------------------------------------|--|
| 7. <u>Plan Expenses:</u> | None. |
| 8. <u>Actuarial Cost Method:</u> | Unit Credit under PPA rules. |
| 9. <u>Asset Valuation Method:</u> | Market Value of all trust investments, plus any accrued contributions as of the Valuation Date. |
| 10. <u>Employee Data:</u> | An employee census was supplied by Tri-State Plan Administration, Inc. and included all employees in the Eligible Class. We did not audit the census. |
| 11. <u>Asset Data:</u> | Asset data and contribution amounts and dates were supplied by Tri-State Plan Administration, Inc. We did not audit the data. |
| 12. <u>Changes Since Last Year:</u> | The interest rates used to determine the Target Liability were changed from the full yield curve for the second month preceding the valuation date to the tiered segment rates with transition of 4.60%, 6.65% and 6.76% as indicated above and as permitted by IRS regulations. |

2010 Schedule SB, line 19 – Discounted Employer Contributions

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

EIN: 31-1483173

PIN: 003

Effective Interest Rate: 5.96%

Effective Interest Rate for Late Quarterlies: 10.96%

<u>Date</u>	<u>Contribution Amount</u>	<u># Days to 1/1/2010</u>	<u>Discounted Contributions @ 5.96%</u>	<u>Deposit Description</u>	<u>Effective Interest Rate</u>
10/8/2010	\$99	280	\$93	Late Quarterly	10.96%
10/14/2010	84,283	286	\$78,715	Late Quarterly	10.96%
10/14/2010	84,382	286	79,718	Late Quarterly	10.96%
10/14/2010	84,481	286	80,734	Quarterly	5.96%
1/10/2011	84,382	374	79,522	Quarterly	5.96%
6/21/2011	191,595	536	175,980	Remaining Dep	5.96%
Total	\$529,222		\$494,762		

2010 Schedule SB, Line 25 Change in Method

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

EIN: 31-1483173

PN: 003

Effective with the January 1, 2010 valuation, the following method was changed:

- The interest rates used to determine the Target Liability were changed from the full yield curve determined as of the second month preceding the valuation date to the tiered segment rates determined as of the valuation date.

Active Participants as of January 1, 2010

Total Years of Service

Age Group	<u>< 1</u>	<u>1-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>	<u>35 +</u>	<u>Total</u>
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40-44	0	24	2	1	2	1	0	0	0	30
45-49	0	10	3	6	0	1	0	0	0	20
50-54	0	11	6	2	3	1	0	0	0	23
55-59	0	2	4	2	0	0	0	0	0	8
60-64	0	5	1	2	0	2	0	0	1	11
65-69	0	1	1	0	0	0	0	0	0	2
70 +	0	0	0	0	0	0	0	0	0	0
Total	0	147	31	14	6	5	0	0	1	204

Average Age: 39.1 Years
Average Service: 5.1 Years

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