Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
JAMES PERSE ENTERPRISES, INC. 401(K) PROFIT SHARING PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2005

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

3311 EAST SLAUSON AVENUE
VERNON, CA 90058-3914

2b Employer Identification Number (EIN) 95-4498473

2c Sponsor's telephone number 323-588-2226

2d Business code (see instructions) 424300

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/10/2011	CATHERINE THIELEN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

JAMES PERSE ENTERPRISES, INC.

3311 EAST SLAUSON AVENUE
VERNON, CA 90058-3914

3b Administrator's EIN
95-4498473

3c Administrator's telephone number
323-588-2226

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

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	208
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**	175
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	64
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	239
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	239
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	139
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	9
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:

2A 2E 2F 2G 2J 2K 3D

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance Information

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

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

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

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

A Name of plan
JAMES PERSE ENTERPRISES, INC. 401(K) PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500.
JAMES PERSE ENTERPRISES, INC.

D Employer Identification Number (EIN)
95-4498473

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

1 Coverage Information:

(a) Name of insurance carrier
JOHN HANCOCK USA

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year (f) From	Policy or contract year (g) To
01-0233346	65838	45985	142	01/01/2010	12/31/2010

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

(a) Total amount of commissions paid	(b) Total amount of fees paid
3414	2433

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

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
MERRILL LYNCH LIFE INSURANCE AGENCY
1700 MERRILL LYNCH DRIVE
PENNINGTON, NJ 08534

(b) Amount of sales and base commissions paid	Fees and other commissions paid (c) Amount	(d) Purpose	(e) Organization code
3414			3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
QBI, LLC
21021 VENTURA BLVD., 1ST FLOOR
WOODLAND HILLS, CA 91364

(b) Amount of sales and base commissions paid	Fees and other commissions paid (c) Amount	(d) Purpose	(e) Organization code
0	2433	TPA FEES PAID, FORUM COMPENSATION, OTHER FEES	5

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4	Current value of plan's interest under this contract in the general account at year end	4	7327
5	Current value of plan's interest under this contract in separate accounts at year end	5	1627337

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

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

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☒ guaranteed investment (4) ☐ other ▶

b	Balance at the end of the previous year			7b	11389
c	Additions: (1) Contributions deposited during the year	7c(1)	5458		
	(2) Dividends and credits	7c(2)	0		
	(3) Interest credited during the year	7c(3)	354		
	(4) Transferred from separate account	7c(4)			
	(5) Other (specify below)	7c(5)			
	▶				
	(6) Total additions			7c(6)	5812
d	Total of balance and additions (add **b** and **c(6)**)			7d	17201
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	0		
	(2) Administration charge made by carrier	7e(2)	74		
	(3) Transferred to separate account	7e(3)	9800		
	(4) Other (specify below)	7e(4)			
	▶				
	(5) Total deductions			7e(5)	9874
f	Balance at the end of the current year (subtract **e(5)** from **d**)			7f	7327

Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:				
a Premiums: (1) Amount received	**9a(1)**			
(2) Increase (decrease) in amount due but unpaid	**9a(2)**			
(3) Increase (decrease) in unearned premium reserve	**9a(3)**			
(4) Earned (**(1)** + **(2)** - **(3)**)			**9a(4)**	
b Benefit charges (1) Claims paid	**9b(1)**			
(2) Increase (decrease) in claim reserves	**9b(2)**			
(3) Incurred claims (add **(1)** and **(2)**)			**9b(3)**	
(4) Claims charged			**9b(4)**	
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	**9c(1)(A)**			
(B) Administrative service or other fees	**9c(1)(B)**			
(C) Other specific acquisition costs	**9c(1)(C)**			
(D) Other expenses	**9c(1)(D)**			
(E) Taxes	**9c(1)(E)**			
(F) Charges for risks or other contingencies	**9c(1)(F)**			
(G) Other retention charges	**9c(1)(G)**			
(H) Total retention			**9c(1)(H)**	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			**9c(2)**	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			**9d(1)**	
(2) Claim reserves			**9d(2)**	
(3) Other reserves			**9d(3)**	
e Dividends or retroactive rate refunds due. (Do not include amount entered in **c(2)**.)			**9e**	
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			**10a**	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.			**10b**	

Specify nature of costs ▶

Part IV Provision of Information

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

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

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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

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

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

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

A Name of plan
JAMES PERSE ENTERPRISES, INC. 401(K) PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
JAMES PERSE ENTERPRISES, INC.

D Employer Identification Number (EIN)
95-4498473

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

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

a Name of MTIA, CCT, PSA, or 103-12 IE: JH LIFESTYLE AGGRESSIVE

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
01-0233346-000	P	145320

a Name of MTIA, CCT, PSA, or 103-12 IE: JH LIFESTYLE GROWTH

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
01-0233346-000	P	329648

a Name of MTIA, CCT, PSA, or 103-12 IE: JH LIFESTYLE BALANCED

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
01-0233346-000	P	398566

a Name of MTIA, CCT, PSA, or 103-12 IE: JH LIFESTYLE MODERATE

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
01-0233346-000	P	200771

a Name of MTIA, CCT, PSA, or 103-12 IE: JH LIFESTYLE CONSERVATIVE

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
01-0233346-000	P	75306

a Name of MTIA, CCT, PSA, or 103-12 IE: LM PARTNERS GLB HIGH YIELD

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
01-0233346-000	P	23907

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

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
01-0233346-000	P	18867

a Name of MTIA, CCT, PSA, or 103-12 IE: JH STABLE VALUE

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 27100

a Name of MTIA, CCT, PSA, or 103-12 IE: JH OPPENHEIMER DEVELOPING MKT

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 34567

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

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 27535

a Name of MTIA, CCT, PSA, or 103-12 IE: JH VALUE & RESTRUCTURING

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 6442

a Name of MTIA, CCT, PSA, or 103-12 IE: JH OPPENHEIMER GLOBAL

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 18183

a Name of MTIA, CCT, PSA, or 103-12 IE: T ROWE PRICE EQUITY INC

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 11590

a Name of MTIA, CCT, PSA, or 103-12 IE: DAVIS NY VENTURE

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 29764

a Name of MTIA, CCT, PSA, or 103-12 IE: BLACKROCK GLBL ALLOC

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 15677

a Name of MTIA, CCT, PSA, or 103-12 IE: GROWTH FUND OF AMERICA

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 42206

a Name of MTIA, CCT, PSA, or 103-12 IE: STRATEGIC INCOME OPP FUND

b Name of sponsor of entity listed in (a): JOHN HANCOCK USA

c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 51184

a Name of MTIA, CCT, PSA, or 103-12 IE: VS MID CAP STOCK FUND			
b Name of sponsor of entity listed in (a): JOHN HANCOCK USA			
c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	28825
a Name of MTIA, CCT, PSA, or 103-12 IE: JH TEMPLETON WORLD			
b Name of sponsor of entity listed in (a): JOHN HANCOCK USA			
c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	16816
a Name of MTIA, CCT, PSA, or 103-12 IE: JH T. ROWE PRICE SPECTRUM INC.			
b Name of sponsor of entity listed in (a): JOHN HANCOCK USA			
c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	49355
a Name of MTIA, CCT, PSA, or 103-12 IE: JH BLACKROCK LARGE VALUE			
b Name of sponsor of entity listed in (a): JOHN HANCOCK USA			
c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	19947
a Name of MTIA, CCT, PSA, or 103-12 IE: JH MFS UTILITIES			
b Name of sponsor of entity listed in (a): JOHN HANCOCK USA			
c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	9749
a Name of MTIA, CCT, PSA, or 103-12 IE: VS REAL EST. SECURITIES FUND			
b Name of sponsor of entity listed in (a): JOHN HANCOCK USA			
c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	11018
a Name of MTIA, CCT, PSA, or 103-12 IE: JH MUTUAL GLOBAL DISCOVERY			
b Name of sponsor of entity listed in (a): JOHN HANCOCK USA			
c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	1435
a Name of MTIA, CCT, PSA, or 103-12 IE: JH SMALL CAP OPP FUND			
b Name of sponsor of entity listed in (a): JOHN HANCOCK USA			
c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	4474
a Name of MTIA, CCT, PSA, or 103-12 IE: VS SMALL CAP VALUE FUND			
b Name of sponsor of entity listed in (a): JOHN HANCOCK USA			
c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	8679
a Name of MTIA, CCT, PSA, or 103-12 IE: VS INTERNATIONAL VALUE FUND			
b Name of sponsor of entity listed in (a): JOHN HANCOCK USA			
c EIN-PN 01-0233346-000	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	20406

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

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

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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b Name of plan sponsor	**c** EIN-PN

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a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

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

A Name of plan
JAMES PERSE ENTERPRISES, INC. 401(K) PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
JAMES PERSE ENTERPRISES, INC.

D Employer Identification Number (EIN)
95-4498473

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	17222	29510
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	21857	39277
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)	1206840	1627337
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	11389	7327
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	1257308	1703451
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i	0	
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	1257308	1703451

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)	120874	
(B) Participants	2a(1)(B)	301577	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		422451
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	354	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	1065	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		1419
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(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)		186068
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		609938
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	153906	
(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)		153906
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	8164	
(3) Investment advisory and management fees	2i(3)	1725	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		9889
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		163795
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		446143
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: MARCUM, LLP (2) EIN: 11-1986323

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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)

JAMES PERSE ENTERPRISES, INC. 401(k) PROFIT SHARING PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

JAMES PERSE ENTERPRISES, INC. 401(k) PROFIT SHARING PLAN

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MARCUM
STONEFIELD
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT

The Plan Committee of
James Perse Enterprises, Inc. 401(k) Profit Sharing Plan

We were engaged to audit the statements of net assets available for plan benefits of James Perse Enterprises, Inc. 401(k) Profit Sharing Plan (the "Plan") as of December 31, 2010 and 2009 and the accompanying statement of changes in net assets available for plan benefits for the year ended December 31, 2010 and the supplemental schedule Item 4i – schedule of assets (held at end of year) as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by John Hancock Life Insurance Co. U.S.A., the custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that John Hancock Life Insurance Co. U.S.A. holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certification from the custodian as of December 31, 2010 and 2009 and for the year ended December 31, 2010, that the information provided to the plan administrator by the custodian is complete and accurate.

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

Marcum LLP

Los Angeles, CA
October 6, 2011

MARCUMGROUP
MEMBER
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JAMES PERSE ENTERPRISES, INC. 401(k) PROFIT SHARING PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

DECEMBER 31, 2010 AND 2009

	2010	2009
Assets		
Investments		
Pooled separate accounts	$ 1,627,337	$ 1,206,840
Guaranteed interest accounts	7,327	11,389
Total Investments	1,634,664	1,218,229
Receivables		
Employer contributions	1,448	1,540
Participant contributions	--	185
Notes receivables from participants	39,277	21,857
Total Receivables	40,725	23,582
Cash	29,510	17,222
Total Assets	1,704,899	1,259,033
Liabilities		
Corrective distributions payable	7,239	--
Net Assets Available for Plan Benefits	$ 1,697,660	$ 1,259,033

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

JAMES PERSE ENTERPRISES, INC. 401(k) PROFIT SHARING PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2010

Additions to Net Assets Attributed to:		
Contributions:		
Participants	$ 301,392	
Employer	120,783	
Total Contributions		$ 422,175
Investment Income:		
Interest Income		
Notes receivable from participants	1,065	
Guaranteed interest accounts	354	
Total Interest Income		1,419
Net Appreciation of Investments		
Pooled separate accounts		186,068
Total Investment Income		187,487
Total Additions		609,662
Deductions From Net Assets Attributed to:		
Benefits paid to participants	153,906	
Corrective distributions	7,239	
Administrative expenses	9,890	
Total Deductions		171,035
Net Increase in Assets Available for Plan Benefits		438,627
Net Assets Available for Plan Benefits - Beginning		1,259,033
Net Assets Available for Plan Benefits - Ending		$ 1,697,660

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

JAMES PERSE ENTERPRISES, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 1 - DESCRIPTION OF PLAN

The following description of the James Perse Enterprises, Inc. 401(k) Profit Sharing Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

GENERAL

The Plan, effective January 1, 2005, sponsored by James Perse Enterprises, Inc. (the "Company"), is a defined contribution 401(k) profit sharing plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan was amended and restated effective January 1, 2010. The Company's Vice President of Human Resources is the Plan's trustee and the Human Resources Manager is the Plan's administrator. They serve at the discretion of the Company's Board of Directors, and administer the Plan. The Plan's administrator is responsible for all matters including, but not limited to, eligibility, rights to benefits, interpreting Plan documents and maintaining participants' accounts. The custodian of the Plan is John Hancock Life Insurance Co. U.S.A. (the "Custodian"). Each participant allocates his or her Plan contributions among the funds available in the Plan. Asset management fees are charged to participants in the various funds. The Company generally pays for administrative expenses, with any remainder paid for by the Plan, such as, but not limited to, asset management fees in the various funds and fees related to in-service withdrawals, termination distributions, and initiation of Plan loans.

ELIGIBILITY AND PARTICIPATION

Employees of the Company who are age 18 and older and have completed at least 3 months of service are eligible to participate. An eligible employee may elect to participate on the first day of the month following satisfaction of all eligibility requirements.

CONTRIBUTIONS

Participants

Each year, employee contributions are subject to the maximum amount permitted for such deferral under the applicable provisions of the Internal Revenue Code (the "Code"). Section 401(k) of the Code and the Plan limit the amount certain highly compensated individuals may contribute, based on amounts contributed by lower compensated individuals. All participants were limited to a maximum contribution of $16,500 in 2010 and 2009, by Section 402(g) of the Code. In addition, individuals age 50 or over by the end of the Plan year are allowed to make additional contributions, in excess of the standard limits, of up to $5,500 in 2010 and 2009. If any participant's elective deferrals for the year exceed the maximum allowable for that year, the excess amount will be returned to the Company and then paid to the participant as taxable compensation.

NOTE 1 - DESCRIPTION OF PLAN (CONTINUED)

CONTRIBUTIONS (CONTINUED)

Employer

The Employer may make, at its discretion, matching contribution equal to 50% of the participant's deferral up to 6% of compensation. For purposes of the Plan, eligible earnings is defined as compensation as reflected on the Form W-2 including the elective deferrals and any other contributions made to a "Section 125" cafeteria plan, including accrued vacation pay received after separation from service with the Company. Eligible earnings will not include any severance pay received after separation from service with the Company. Matching contributions totaled $120,783 and $120,053 for the years ended December 31, 2010 and 2009 respectively. The Company may also make profit sharing contributions each year, subject to the provisions of the Plan. There were no profit sharing contributions for the years ended December 31, 2010 and 2009.

Rollovers

With the consent of the Plan administrator, participants are permitted to deposit distributions received from other qualified plans ("rollovers") without incurring federal or state income taxes and penalties.

PARTICIPANT ACCOUNTS

Separate accounts are established and maintained for each participant, whereby the participant self-directs their investments. The Custodian provides the Plan participants with various individual investment options. Participants elect how to allocate their contributions among the funds and can change their allocations at any time. The fund values are stated at quoted market prices as determined by the Custodian. The Custodian and the Plan administrator make available to the Plan participants a prospectus for each fund that explains in detail the investment objectives and policies. Investments in these funds are not guaranteed as to income or principal unless otherwise noted.

Each participant's account is credited with the participant's elective salary deferrals and Company matching and profit sharing contributions, if any. The allocation of profit sharing contributions is based on the proportion of the participant's total compensation to the total compensation paid to all participants. Investment earnings, including interest income and realized and unrealized gains and losses, are allocated to each participant's account in relation to the investment performance of each fund and the proportion of the participant's account balance to the total balance in each fund on a daily basis. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

NOTE 1 - DESCRIPTION OF PLAN (CONTINUED)

VESTING

Participants are immediately 100% vested in their elective salary deferrals, rollovers, and any related investment earnings, gains and losses. Vesting in the employer's matching contributions plus actual earnings thereon is based on years of continuous service. Participants are vested in annual increments of 33.33%, vesting at 33.33% after the completion of the first year of credited service, and up to 100% after the third year of credited service. The vesting schedule for profit sharing contributions is the same as the matching contribution.

NOTES RECEIVABLE FROM PARTICIPANTS

Participants may borrow from their accounts a minimum of $1,000, up to a maximum of $50,000 or one half of their vested account balance, whichever is less. Loan repayment terms, including interest rates, are set by the Company, but do not extend beyond retirement. The loans are collateralized by the remaining balance in the respective participant's vested account. The Plan provisions require a fixed rate of interest to be charged at the rate of bank prime rate plus 2% per annum. Principal and interest are paid ratably through payroll deductions.

FORFEITURES

Upon termination of employment, the non-vested portion of the participant's account balance is forfeited at the end of the Plan year. Plan forfeitures are used to reduce the matching contributions of the Company. For the plan years ended December 31, 2010 and 2009, forfeitures totaled $12,288 and $10,800, respectively.

BENEFIT PAYMENTS AND WITHDRAWALS

Upon termination of service due to death, disability or retirement, vested benefits due to the participants or their beneficiaries will be distributed in accordance with the Plan. The Plan also allows for hardship withdrawals of part or all of a participant's vested account, as outlined in the Plan. Benefits are recorded when paid.

PLAN TERMINATION

Although the Company has not expressed any intent to do so, it has the right under the Plan to terminate the Plan at any time, subject to the provisions of ERISA. In the event of the Plan's termination, all participants become 100% vested in their accounts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Plan's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

USE OF ESTIMATES

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

NOTES RECEIVABLE FROM PARTICIPANTS

Loans to participants are reported at their unpaid principal balance plus any accrued but unpaid interest.

INVESTMENT VALUATION AND INCOME RECOGNITION

Investments are stated at fair market value as determined by the Custodian. Realized gains and losses on sales of investments, if any, are calculated based on net sales' proceeds and investment costs determined on the specific-identification method. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Participants have investment discretion over all contributions made on their behalf.

The Plan invests in investment contracts (guaranteed interest accounts). Guaranteed interest accounts are not fully benefit responsive and are reported at contract cost which approximates fair value.

RISKS AND UNCERTAINTIES

The Plan provides for various investment options using a combination of pooled separate accounts and other investment securities. Investment securities are exposed to various risks, such as variable interest rates and 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 value of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for plan benefits.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECLASSIFICATION

Certain accounts in the prior year statement of net assets available for plan benefits have been reclassified for comparative purposes with the current year's presentation.

NOTE 3 - FAIR VALUE OF INVESTMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2010 and 2009.

Pooled separate accounts: Valued at the closing price reported by the trustee based on closing prices of the individual securities underlying the pooled separate accounts as reported on the active market on which the individual securities are traded. This valuation methodology has not changed in the last two reporting periods however interpretation of disclosure guidance now indicates these are Level 2 values rather than Level 1 values as disclosed in the prior year financial statements. The prior year financial statement disclosures have been presented to reflect the amounts as Level 2 values.

NOTE 3 - FAIR VALUE OF INVESTMENTS (CONTINUED)

Guaranteed interest accounts: Valued by the trustee based on contract value, which approximates fair value, and interest rates available in the active market. This valuation methodology has not changed in the last two reporting periods however interpretation of disclosure guidance now indicates these are Level 3 values rather than Level 1 values as disclosed in prior year financial statements. The prior year financial statement disclosures have been presented to reflect the amounts as Level 3 values.

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

The following table represents the Plan's fair value hierarchy for its financial assets measured at fair value on a recurring basis as of December 31, 2010 and 2009:

	Fair Value Measurements at December 31, 2010			
	Level 1	Level 2	Level 3	Total
Pooled Separate Accounts				
Lifestyle funds	$ --	$1,149,610	$ --	$1,149,610
Growth funds	--	138,949	--	138,949
Income funds	--	124,447	--	124,447
Aggressive growth funds	--	111,333	--	111,333
Growth and income funds	--	75,898	--	75,898
Conservative funds	--	27,100	--	27,100
Total Pooled Separate Accounts	--	1,627,337	--	1,627,337
Guaranteed Interest Accounts - 10 year comp	--	--	7,327	7,327
Total Financial Assets at Fair Value	$ --	$1,627,337	$ 7,327	$1,634,664

NOTE 3 - FAIR VALUE OF INVESTMENTS (CONTINUED)

	Fair Value Measurements at December 31, 2009			
	Level 1	Level 2	Level 3	Total
Pooled Separate Accounts				
Lifestyle funds	$ --	$ 863,430	$ --	$ 863,430
Income funds	--	83,616	--	83,616
Growth funds	--	82,530	--	82,530
Aggressive growth funds	--	81,702	--	81,702
Growth and income funds	--	67,598	--	67,598
Conservative funds	--	27,964	--	27,964
Total Pooled Separate Accounts	--	1,206,840	--	1,206,840
Guaranteed Interest Accounts - 10 year comp	--	--	11,389	11,389
Total Financial Assets at Fair Value	$ --	$1,206,840	$11,389	$1,218,229

LEVEL 3 GAINS AND LOSSES

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

	Guaranteed Interest Accounts
Balance - Beginning	$11,389
Realized gains (losses)	280
Unrealized gains (losses) relating to instruments still held at reporting date	--
Purchases and issuances	5,459
Sales and settlements	(9,801)
Balance - Ending	$ 7,327

NOTE 3 - FAIR VALUE OF INVESTMENTS (CONTINUED)

LEVEL 3 GAINS AND LOSSES (CONTINUED)

The following table is a summary of changes in fair value of the Plan's level 3 assets for the year ended December 31, 2009.

	Guaranteed Interest Accounts
Balance - Beginning	$ 5,939
Realized gains (losses)	225
Unrealized gains (losses) relating to instruments still held at reporting date	--
Purchases and issuances	6,474
Sales and settlements	(1,249)
Balance - Ending	$11,389

NOTE 4 - UNAUDITED INFORMATION CERTIFIED BY THE PLAN CUSTODIAN

The following unaudited information in the financial statements and supplemental schedule was certified to be complete and accurate by the Custodian of the Plan within the meaning of 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA:

- All amounts included as investments at fair value in the statements of net assets available for plan benefits as of December 31, 2010 and 2009.
- Investment income and net appreciation in fair value of investment amounts included in the statement of changes in net assets available for plan benefits for the year ended December 31, 2010.
- All amounts enumerated in the schedule of assets (held at end of year) as of December 31, 2010.

The fair value of investments representing 5% or more of the Plan's net assets at December 31, 2010 and their comparable balances as of the end of the prior year are as follows:

NOTE 4 - UNAUDITED INFORMATION CERTIFIED BY THE PLAN CUSTODIAN (CONTINUED)

Pooled Separate Accounts	2010	2009
Lifestyle Balanced Fund	$398,566	$270,099
Lifestyle Growth Fund	329,648	242,781
Lifestyle Moderate Fund	200,771	128,247
Lifestyle Aggressive Fund	145,321	150,377

NOTE 5 - INCOME TAX STATUS

The Plan is qualified under applicable provisions of the Internal Revenue Code and is not subject to federal and state income taxes. Participants are not subject to federal and state income taxes on their elective deferrals, matching contributions or profit sharing contributions, or on income accruing to their accounts, until they receive distributions from the Plan.

The Plan is a prototype 401(k) Salary Reduction plan as designed by Automatic Data Processing. The prototype Plan obtained a determination letter on March 31, 2008, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator and Plan's tax counsel believe that the Plan, as currently designed and operated, is in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements. The Plan administrator and the Custodian intend to amend the Plan on a timely basis to comply with all applicable, recently adopted tax laws and regulations.

Accounting principles generally accepted in the United States of America requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken uncertain tax positions that more-likely-than-not would not be sustained upon examination by applicable taxing authorities. The Plan administrator has analyzed tax positions taken by the Plan and has concluded that, as of December 31, 2010 and 2009, there are no uncertain tax positions taken, or expected to be taken, that would require recognition of a liability or that would require disclosure in the financial statements.

The Plan is subject to routine audits by taxing jurisdictions. However, currently no audits for any tax periods are in progress. The Plan administrator believes that the Plan is no longer subject to income tax examinations for the year prior to December 31, 2007.

NOTE 6 - PARTY-IN-INTEREST TRANSACTIONS

Certain plan investments are managed by John Hancock Life Insurance Company, custodian and trustee of the Plan's assets. Transactions relating to these investments qualify as party-in-interest transactions. Participants' loan activities also qualify as party-in-interest transactions. These transactions are covered by an exemption from the "prohibited transaction" provisions of ERISA and the IRC.

NOTE 7 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

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

Net assets available for plan benefits per the financial statements	$1,697,660
Add: Corrective distributions payable at December 31, 2010	7,239
Less: Employer contribution receivable at December 31, 2010	(1,448)
Net Assets Available for Plan Benefits per Schedule H of Form 5500	$1,703,451

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

Net assets available for plan benefits per the financial statements	$1,259,033
Less: employer contribution receivable at December 31, 2009	(1,540)
Less: participant contribution receivable December 31, 2009	(185)
Net Assets Available for Plan Benefits per Schedule H of Form 5500	$1,257,308

The following is a reconciliation of participant contribution per the financial statements for the year ended December 31, 2010, to Schedule H of Form 5500:

Participant contribution per the financial statements	$301,392
Add: participant contribution receivable at December 31, 2009	185
Participant Contribution per Schedule H of Form 5500	$301,577

NOTE 7 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 (CONTINUED)

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

Employer contributions per the financial statements	$120,783
Add: employer contributions receivable at December 31, 2009	1,540
Add: employer contributions receivable at December 31, 2010	(1,448)
Employer Contributions per Schedule H of Form 5500	$120,875

The following is a reconciliation of corrective distributions per the financial statements for the year ended December 31, 2010, to Schedule H of Form 5500:

Corrective distributions per the financial statements	$ 7,239
Less: corrective distributions payable at December 31, 2010	(7,239)
Corrective Distributions per Schedule H of Form 5500	$ --

NOTE 8 - SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 6, 2011, the date the financial statements were available to be issued and determined that no events have occurred that require disclosure or adjustment to the financial statements.

JAMES PERSE ENTERPRISES, INC. 401(k) PROFIT SHARING PLAN

ITEM 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

EIN: 95-4498473
PN: 001

DECEMBER 31, 2010

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment	(d) Cost	(e) Fair Market Value	
		Pooled Separate Accounts			
*	John Hancock	Lifestyle Balanced Fund	**	$ 398,566	(A)
*	John Hancock	Lifestyle Growth Fund	**	329,648	(A)
*	John Hancock	Lifestyle Moderate Fund	**	200,771	(A)
*	John Hancock	Lifestyle Aggressive Fund	**	145,321	(A)
*	John Hancock	Lifestyle Conservative Fund	**	75,306	
*	John Hancock	Strategic Inc.	**	51,184	
*	John Hancock	T. Rowe Price Spectrum Inc.	**	49,356	
*	John Hancock	The Growth Fund of America	**	42,206	
*	John Hancock	Oppenheimer Developing Market	**	34,567	
*	John Hancock	Davis New York Venture	**	29,764	
*	John Hancock	Mid Cap Slock Fund	**	28,825	
*	John Hancock	Energy	**	27,535	
*	John Hancock	Stable Value	**	27,100	
*	John Hancock	LM Panners Glb High Yield	**	23,907	
*	John Hancock	Intemational Value Fund	**	20,406	
*	John Hancock	BlackRock Large Value	**	19,947	
*	John Hancock	Mutual Beacon	**	18,867	
*	John Hancock	Oppenheimer Global	**	18,183	
*	John Hancock	Templeton World	**	16,816	
*	John Hancock	Black Rock Global Allocation	**	15,677	
*	John Hancock	T. Rowe Price Equity Inc.	**	11,590	
*	John Hancock	Real Estate Securities Fund	**	11,018	
*	John Hancock	MFS Utilities	**	9,748	
*	John Hancock	Small Cap Value Fund	**	8,678	
*	John Hancock	Columbia Value & Restructuring	**	6,442	
*	John Hancock	Small Cap Opponunities Fund	**	4,474	
*	John Hancock	Mutual Discovery	**	1,435	
				1,627,337	
		Guaranteed Interest Accounts			
*	John Hancock	10 Year Comp	**	7,327	
	Total Investments			1,634,664	
		Notes Receivable from Participants			
*	Participant Loans	Pooled participant loans, with interest ranging from 5.25% to 10.25% per annum, due at various dates through 2015.		39,277	
	Total			$ 1,673,941	

* A party-in-interest for which a statutory exemption exists.

** Cost information for investments held by John Hancock Life Insurance Company U.S.A. has been omitted as all investments are in an individual account plan that a participant or beneficiary directed with respect to assets allocated to his or her account, including a negative election as may be authorized under the terms of the Plan.

(A) Investment balance exceeds 5% of the fair value of net assets available for plan benefits as of December 31, 2010.

See accompanying independent auditors' report.

JAMES PERSE ENTERPRISES, INC. 401(k) PROFIT SHARING PLAN

ITEM 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

EIN: 95-4498473
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DECEMBER 31, 2010

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See accompanying independent auditors' report.