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
SMILEY BROTHERS, INC. 401K PROFIT SHARING PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 07/01/1980

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

1000 MOUNTAIN REST ROAD
NEW PALTZ, NY 12561

2b Employer Identification Number (EIN) 14-1506387

2c Sponsor's telephone number 845-255-1000

2d Business code (see instructions) 721110

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.	10/11/2011	NANCY HANSEN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2011	SMILEY BROTHERS, INC.
	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")
SMILEY BROTHERS, INC.

1000 MOUNTAIN REST ROAD
NEW PALTZ, NY 12561

3b Administrator's EIN
14-1506387

3c Administrator's telephone number
845-255-1000

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**	495
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**	403
b	Retired or separated participants receiving benefits	**6b**	5
c	Other retired or separated participants entitled to future benefits	**6c**	51
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	459
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	459
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	219
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:
2E 2F 2G 2J 2K 2R 2T 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)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**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
SMILEY BROTHERS, INC. 401K PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
SMILEY BROTHERS, INC.

D Employer Identification Number (EIN)
14-1506387

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

THE VANGUARD GROUP, INC.

23-1945930

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 16 25 33 37 52	NONE	10137	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [ ]

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE 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
SMILEY BROTHERS, INC. 401K PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
SMILEY BROTHERS, INC.

D Employer Identification Number (EIN)
14-1506387

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)	23113	0
(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)	31991	176110
(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)	270353	309130
(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)	8815439	8832721
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	9140896	9317961
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	9140896	9317961

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)	9178	
	(B) Participants	2a(1)(B)	548725	
	(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)		557903
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	14074	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		14074
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)	1358	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	182944	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		184302
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	37000	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	37000	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	22358	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		22358
(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)		711506
c Other income	2c		61
d Total income. Add all **income** amounts in column (b) and enter total	2d		1490204
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1267113	
(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)		1267113
f Corrective distributions (see instructions)	2f		34930
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	11096	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		11096
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1313139
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		177065
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: PKF LLP (2) EIN: 27-1728945

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

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
SMILEY BROTHERS, INC. 401K PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
SMILEY BROTHERS, INC.

D Employer Identification Number (EIN)
14-1506387

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): 23-2186884

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

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

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PKF LLP
Certified Public Accountants

29 Broadway
New York, NY 10006
USA

Tel 212 867 8000
Fax 212 687 4346
www pkfnewyork.com
E-mail info@pkfny.com

Independent Auditor's Report

To the Plan Administrator and Participants
Smiley Brothers, Inc. 401(k) Profit Sharing Plan
d/b/a Mohonk Mountain House
Lake Mohonk
New Paltz, NY 12561

We were engaged to audit the accompanying statements of net assets available for benefits of Smiley Brothers, Inc. 401(k) Profit Sharing Plan as of December 31, 2010 and 2009 and the related statements of changes in net assets available for benefits for the years then ended and the supplemental schedule of assets. These financial statements and supplemental schedule are the responsibility and supplemental schedule of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the United States 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 3, which was certified by Vanguard Fiduciary Trust Company, the Trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certifications from the Trustee, as of December 31, 2010 and 2009, and for the years then ended, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

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

PKF

New York, NY
October 7, 2011

SMILEY BROTHERS, INC.
401(k) PROFIT SHARING PLAN

Attachment to Form 5500
for year ended
December 31, 2010

SMILEY BROTHERS, INC. 401(k) PROFIT SHARING PLAN EMPLOYER ID # 14-1506387

Attachment to Form 5500
For the Year Ended
December 31, 2010

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PKF LLP
Certified Public Accountants

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USA

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E-mail info@pkfny.com

Independent Auditor's Report

To the Plan Administrator and Participants
Smiley Brothers, Inc. 401(k) Profit Sharing Plan
d/b/a Mohonk Mountain House
Lake Mohonk
New Paltz, NY 12561

We were engaged to audit the accompanying statements of net assets available for benefits of Smiley Brothers, Inc. 401(k) Profit Sharing Plan as of December 31, 2010 and 2009 and the related statements of changes in net assets available for benefits for the years then ended and the supplemental schedule of assets. These financial statements and supplemental schedule are the responsibility and supplemental schedule of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the United States 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 3, which was certified by Vanguard Fiduciary Trust Company, the Trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certifications from the Trustee, as of December 31, 2010 and 2009, and for the years then ended, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

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

PKF

New York, NY
October 7, 2011

SMILEY BROTHERS, INC. 401(k) PROFIT SHARING PLAN

Statements of Net Assets Available for Benefits

	December 31	
	2010	2009
Assets		
Participant loans	$ 309,130	$ 270,353
Investments at fair value (note 3)		
Mutual funds	9,008,831	8,847,430
Contributions receivable		
Participant deferrals	-	23,113
Total contributions receivable	-	23,113
Net assets available for benefits	$ 9,317,961	$ 9,140,896

See notes to financial statements

SMILEY BROTHERS, INC. 401(k) PROFIT SHARING PLAN

Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31	
	2010	2009
Additions to net assets attributed to		
Investment income		
Net appreciation on investments	$ 733,864	$ 1,311,493
Interest and dividend income	184,302	174,709
Other interest	14,074	10,248
	932,240	1,496,450
Contributions		
Employer matching	9,178	99,899
Participant deferrals	548,725	595,988
Other	61	-
	557,964	695,887
Total additions	1,490,204	2,192,337
Deductions from net assets attributed to		
Distributions	1,302,043	290,939
Administrative expenses	11,096	15,229
Total deductions	1,313,139	306,168
Net increase in net assets	177,065	1,886,169
Net assets available for benefits		
January 1	9,140,896	7,254,727
December 31	$ 9,317,961	$ 9,140,896

See notes to financial statements

SMILEY BROTHERS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements
For Year Ended December 31, 2010

Note 1 - Plan description

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

General

The Plan is a defined contribution profit sharing plan covering all employees of Smiley Brothers, Inc. (the "Company") who have a minimum of one year of service and are age twenty-one or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Each year participants may contribute up to $16,500 of pretax annual compensation, as defined in the Plan agreement. The Plan allows for discretionary matching contributions by the Company, with the amount to be matched determined by the Company's Board of Directors each Plan year. In June 2009, the Board of Directors voted to suspend Company contributions to the Plan. Effective December 2010, the Board of Directors voted to reinstate Company contributions to the Plan. For December 2010, the Company contributed 50% of the first 6% of annual compensation that a participant contributed to the Plan. Contributions are subject to certain limitations and are invested in the Plan's authorized investment funds based on participants' designations.

Participant accounts

Each participant's account is credited with the participant's contributions and an allocation of (a) the Company's contribution and (b) plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balance, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately and fully vested in their pre-tax contributions plus actual earnings thereon. Vesting in the employer matching contributions is based on years of continuous service. A participant is 100 percent vested after six years of credited service.

Participant loans

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their account balance. Loan terms range from one to five years with the exception of loans for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at prime plus one percent per annum. Principal and interest are paid ratably through payroll deductions.

Interest rates on such loans ranged from 4.25% to 9.25% at December 31, 2010.

Distributions

A participant's account will be distributed in a lump-sum payment upon termination, disability, retirement or death. However, any non-vested portion of the account balance is forfeited. In the event of such separation prior to age 59-1/2, the terminated participant may elect to defer the distribution until the participant reaches age 59-1/2 or to an earlier date, provided that the participant's eligible distribution exceeds $5,000. In all cases, an active participant's account must be distributed no later than April 1, of the year following the participant's reaching 70-1/2 years of age.

Forfeitures

Forfeitures are allocated to either reduce expenses incurred in the operations of the Plan or reduce future Company matching contributions. At December 31, 2010 and 2009, forfeited non-vested accounts totaled $7,810 and $3,074, respectively.

Administration

The Plan is administered by the Company. Vanguard Fiduciary Trust Company, the Trustee of the Plan, is also the record keeper and agent of the Plan.

Note 2 - Significant accounting policies

Basis of accounting

The Plan uses the accrual basis of accounting, which recognizes revenue when it is earned and expenses as they are incurred.

Use of estimates

The Plan prepares its financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Investment valuation and income recognition

The Plan's investments are stated at fair value. Mutual funds are stated at fair value as determined by quoted market prices, which represents the net asset value of shares held by the plan at year end.

Purchases and sales of securities are recorded on a trade date basis.

The Plan follows the provisions of the Financial Accounting Standards Board's guidance regarding "Fair Value Measurements," which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The following are the classes and major categories of investments at December 31, 2010 and 2009 grouped by the fair value hierarchy for those investments measured at fair value on a recurring basis:

	2010			
Description	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual funds	$ 9,008,831	$ -	$ -	$ 9,008,831
Total Investments	$ 9,008,831	$ -	$ -	$ 9,008,831

SMILEY BROTHERS, INC. 401(k) PROFIT SHARING PLAN

Notes to Financial Statements (continued)
For Year Ended December 31, 2010

	2009			
Description	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual funds	$ 8,847,430	$ -	$ -	$ 8,847,430
Total Investments	$ 8,847,430	$ -	$ -	$ 8,847,430

Participant loans

Participant loans are valued at their outstanding principal amounts plus accrued but unpaid interest.

Net appreciation in fair value of investments

Net realized and unrealized appreciation is recorded in the accompanying statement of changes in net assets available for benefits. Brokerage fees are added to the acquisition costs of assets purchased and subtracted from the proceeds of assets sold.

Payment of benefits

Benefits are recorded when paid.

Administrative expenses

Certain expenses incurred in connection with the general administration of the Plan are paid by the Plan and recorded in the accompanying statement of changes in the net assets available for benefits as administrative expenses.

Uncertainty in income taxes

The Plan recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the Plan had no uncertain tax positions that would require financial statement recognition or disclosure.

The Plan's tax returns for all years since 2007 remain open to examination by the respective tax authorities. There are currently no tax examinations in progress.

Note 3 - Information certified by Trustee

The Plan Administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information certified by Vanguard Fiduciary Trust Company ("Vanguard"), except for comparing such information certified by the Trustee to information included in the Plan's financial statements and supplemental schedule.

The following table presents the fair value of the investments in the Plan certified by Vanguard. Single investments representing 5% or more of the Plan's net assets as of December 31, 2010 and 2009 are separately identified:

	2010	2009
Vanguard Prime Money Market Fund	$ 1,424,591	$ 1,384,895
Vanguard 500 Index Fund Investor Shares	1,091,404	1,117,845
Vanguard Morgan Growth Fund Investor Shares	1,160,027	1,089,497
Vanguard Total Bond Market Index Fund	625,672	837,792
Vanguard Target Retirement 2045 Fund	494,387	-
Other investments	4,212,750	4,417,401
	$ 9,008,831	$ 8,847,430

Vanguard also certified to the completeness and accuracy of $733,864 and $1,311,493 of net appreciation in fair value of investments and $198,376 and $184,957 of interest and dividends related to the aforementioned investments for the years ended December 31, 2010 and 2009, respectively.

Note 4 - Plan termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become full vested in their account balances.

Note 5 - Tax status

Effective November 9, 2006, the Plan adopted a standardized form of a prototype plan sponsored by Vanguard which has received a qualified opinion letter from the Internal Revenue Service. The Plan Administrator believes the Plan is designed and is being operated in compliance with the applicable provisions to the Internal Revenue Code.

Note 6 - 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 such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

Note 7 - Related party transactions

Plan investments are shares of mutual funds managed by Vanguard, Trustee, as defined by the Plan. Therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for investment management services amounted to $11,096 and $15,229 for the years ended December 31, 2010 and 2009, respectively.

Note 8 - Subsequent events

The Plan has evaluated subsequent events through October 7, 2011, and has determined that there were no subsequent events or transactions which would require recognition or disclosure in the financial statements.

Independent Auditor's Report on the Supplementary Information

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of investments (held at year end) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information was certified by the Trustee, Vanguard Fiduciary Trust Company, and has not been audited except for comparing the information with the related information included in the financial statements. Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the information included in the supplementary schedule.

PKF

New York, NY
October 7, 2011

SMILEY BROTHERS, INC. 401(k) PROFIT SHARING PLAN

Schedule 1 - Schedule of Assets (Held at End of Year)
Plan Number 001, Plan EIN# 14-1506387
Schedule H, line 4i
December 31, 2010
(See Independent Auditor's Report on the Supplementary Information)

		Cost	Market Value
Mutual Funds			
Vanguard Admiral Treasury Money Market Fund	*	$ 42,955	$ 42,955
Vanguard Asset Allocation Fund	*	53,296	58,657
Vanguard Balanced Index Fund	*	8,618	8,643
Vanguard Capital Value	*	29,013	32,828
Vanguard Convertible Securities Fund	*	22,982	24,701
Vanguard Diversified Equity Fund	*	3,586	3,749
Vanguard Dividend Growth Fund	*	50,982	55,403
Vanguard Emerging Markets Stock Index Fund	*	77,861	94,357
Vanguard Energy Fund	*	147,091	157,379
Vanguard Equity Income Fund	*	33,732	30,689
Vanguard Explorer Fund	*	85,446	91,238
Vanguard Extended Market Index Fund Investor Shares	*	12,971	16,505
Vanguard Federal Money Market	*	13,762	13,762
Vanguard 500 Index Fund Investor Shares	*	1,065,656	1,091,404
Vanguard Global Equity Fund	*	1,318	1,637
Vanguard GNMA Fund Investor Shares	*	129,377	130,117
Vanguard Growth and Income Fund Investor Shares	*	27,469	23,471
Vanguard Growth Equity Fund	*	2,026	2,572
Vanguard Growth Index Fund Investor Shares	*	309	376
Vanguard High-Yield Corporate Fund	*	188,499	204,867
Vanguard Inflation-Protected Securities Fund	*	63,077	66,262
Vanguard Intermediate - Term Bond Index Fund	*	19,990	21,548
Vanguard Intermediate Term Investment Grade	*	12,347	13,974
Vanguard Intermediate Term Treasury Inv	*	25,556	25,526
Vanguard International Growth Fund	*	17,274	18,652
Vanguard International Value Fund	*	26,820	31,797
Vanguard Large-cap Index	*	23	24
Vanguard LifeStrategy Conservative Growth	*	983	1,079
Vanguard LifeStrategy Growth Fund	*	12,348	13,345
Vanguard LifeStrategy Income Fund	*	1,465	1,562
Vanguard Long-Term Bond Index Fund	*	41,378	44,173
Vanguard Long-Term Investment Grade - Invest Share	*	10,673	11,398
Vanguard Long-Term Treasury Investment	*	2,433	2,309
Vanguard Mid-Cap Growth Fund	*	29,044	34,602
Vanguard Mid-Cap Index Fund	*	29,987	34,068
Vanguard Morgan Growth Fund Investor Shares	*	1,101,875	1,160,027
Vanguard Pacific Stock Index Fund	*	1,236	1,277
Vanguard Precious Metals Fund	*	126,908	146,904
Vanguard Prime Money Market Fund	*	1,424,591	1,424,591
Vanguard PRIMECAP Core Fund	*	43,302	50,865
Vanguard REIT Index Fund	*	59,860	59,032
Vanguard Selected Value Fund	*	34,284	35,607
Vanguard Short-Term Bond Index Fund	*	19,817	20,731
Vanguard Short-Term Federal Investment	*	29,624	29,503
Vanguard Short-Term Investment Grade Investment	*	46,945	48,252

SMILEY BROTHERS, INC. 401(k) PROFIT SHARING PLAN

Schedule 1 - Schedule of Assets (Held at End of Year)
Plan Number 001, Plan EIN# 14-1506387
Schedule H, line 4i
December 31, 2010
(See Independent Auditor's Report on the Supplementary Information)

		Cost	Market Value
Mutual Funds (continued):			
Vanguard Small-Cap Growth Index Fund	*	$ 22,695	$ 30,149
Vanguard Small-Cap Index Fund Investor Shares	*	4,378	5,492
Vanguard Small-Cap Value Index	*	14,788	18,290
Vanguard STAR Fund	*	23,788	21,910
Vanguard Strategic Equity Fund	*	802	999
Vanguard Target Retirement 2005 Fund	*	19,967	20,939
Vanguard Target Retirement 2015 Fund	*	293,676	313,708
Vanguard Target Retirement 2020 Fund	*	49,233	53,254
Vanguard Target Retirement 2025 Fund	*	142,940	159,934
Vanguard Target Retirement 2030 Fund	*	10,116	10,708
Vanguard Target Retirement 2035 Fund	*	334,779	362,489
Vanguard Target Retirement 2040 Fund	*	10,566	11,629
Vanguard Target Retirement 2045 Fund	*	453,146	494,387
Vanguard Target Retirement 2050 Fund	*	1,384	1,527
Vanguard Target Retirement Income	*	11,818	12,607
Vanguard Total Bond Market Index Fund	*	594,594	625,672
Vanguard Total International Stock Index Fund	*	165,800	172,996
Vanguard Total Stock Market Index	*	226,666	246,980
Vanguard U.S. Value Fund	*	4,164	4,650
Vanguard Value Index Fund Investor Shares	*	4,314	4,634
Vanguard Wellesley Income Fund Investor Shares	*	271,983	281,528
Vanguard Wellington Fund Investor Shares	*	132,339	136,499
Vanguard Windsor Fund	*	30,529	33,242
Vanguard Windsor II Fund Investor Shares	*	479,563	420,251
Vanguard Brokerage Option	*	138,066	181,939
Total mutual funds		8,620,883	9,008,831
Participant loans (interest rates ranging from 4.25% to 9.25%)		309,130	309,130
Total (including participant loans)		$ 8,930,013	$ 9,317,961

* Party in interest

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SMILEY BROTHERS, INC. 401(k) PROFIT SHARING PLAN

Schedule 1 - Schedule of Assets (Held at End of Year)
Plan Number 001, Plan EIN# 14-1506387
Schedule H, line 4i
December 31, 2010
(See Independent Auditor's Report on the Supplementary Information)

		Cost	Market Value
Mutual Funds			
Vanguard Admiral Treasury Money Market Fund	*	$ 42,955	$ 42,955
Vanguard Asset Allocation Fund	*	53,296	58,657
Vanguard Balanced Index Fund	*	8,618	8,643
Vanguard Capital Value	*	29,013	32,828
Vanguard Convertible Securities Fund	*	22,982	24,701
Vanguard Diversified Equity Fund	*	3,586	3,749
Vanguard Dividend Growth Fund	*	50,982	55,403
Vanguard Emerging Markets Stock Index Fund	*	77,861	94,357
Vanguard Energy Fund	*	147,091	157,379
Vanguard Equity Income Fund	*	33,732	30,689
Vanguard Explorer Fund	*	85,446	91,238
Vanguard Extended Market Index Fund Investor Shares	*	12,971	16,505
Vanguard Federal Money Market	*	13,762	13,762
Vanguard 500 Index Fund Investor Shares	*	1,065,656	1,091,404
Vanguard Global Equity Fund	*	1,318	1,637
Vanguard GNMA Fund Investor Shares	*	129,377	130,117
Vanguard Growth and Income Fund Investor Shares	*	27,469	23,471
Vanguard Growth Equity Fund	*	2,026	2,572
Vanguard Growth Index Fund Investor Shares	*	309	376
Vanguard High-Yield Corporate Fund	*	188,499	204,867
Vanguard Inflation-Protected Securities Fund	*	63,077	66,262
Vanguard Intermediate - Term Bond Index Fund	*	19,990	21,548
Vanguard Intermediate Term Investment Grade	*	12,347	13,974
Vanguard Intermediate Term Treasury Inv	*	25,556	25,526
Vanguard International Growth Fund	*	17,274	18,652
Vanguard International Value Fund	*	26,820	31,797
Vanguard Large-cap Index	*	23	24
Vanguard LifeStrategy Conservative Growth	*	983	1,079
Vanguard LifeStrategy Growth Fund	*	12,348	13,345
Vanguard LifeStrategy Income Fund	*	1,465	1,562
Vanguard Long-Term Bond Index Fund	*	41,378	44,173
Vanguard Long-Term Investment Grade - Invest Share	*	10,673	11,398
Vanguard Long-Term Treasury Investment	*	2,433	2,309
Vanguard Mid-Cap Growth Fund	*	29,044	34,602
Vanguard Mid-Cap Index Fund	*	29,987	34,068
Vanguard Morgan Growth Fund Investor Shares	*	1,101,875	1,160,027
Vanguard Pacific Stock Index Fund	*	1,236	1,277
Vanguard Precious Metals Fund	*	126,908	146,904
Vanguard Prime Money Market Fund	*	1,424,591	1,424,591
Vanguard PRIMECAP Core Fund	*	43,302	50,865
Vanguard REIT Index Fund	*	59,860	59,032
Vanguard Selected Value Fund	*	34,284	35,607
Vanguard Short-Term Bond Index Fund	*	19,817	20,731
Vanguard Short-Term Federal Investment	*	29,624	29,503
Vanguard Short-Term Investment Grade Investment	*	46,945	48,252

SMILEY BROTHERS, INC. 401(k) PROFIT SHARING PLAN

Schedule 1 - Schedule of Assets (Held at End of Year)
Plan Number 001, Plan EIN# 14-1506387
Schedule H, line 4i
December 31, 2010
(See Independent Auditor's Report on the Supplementary Information)

		Cost	Market Value
Mutual Funds (continued):			
Vanguard Small-Cap Growth Index Fund	*	$ 22,695	$ 30,149
Vanguard Small-Cap Index Fund Investor Shares	*	4,378	5,492
Vanguard Small-Cap Value Index	*	14,788	18,290
Vanguard STAR Fund	*	23,788	21,910
Vanguard Strategic Equity Fund	*	802	999
Vanguard Target Retirement 2005 Fund	*	19,967	20,939
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