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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>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).<br><br><b>▶ Complete all entries in accordance with the instructions to the Form 5500.</b> | OMB Nos. 1210-0110<br>1210-0089<br><br><b>2010</b><br><br><b>This Form is Open to Public Inspection</b> |
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|  |   |
|--|---|
| <b>Part I</b>  | <b>Annual Report Identification Information</b>   |
| For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u> |   |
| <b>A</b> This return/report is for:  | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____                         |
| <b>B</b> This return/report is:  | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                               | <input type="checkbox"/>  |
| <b>D</b> Check box if filing under:  | <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                 |

|  |   |  |  |  |  |
|--|---|--|--|--|--|
| <b>Part II</b>   | <b>Basic Plan Information</b> —enter all requested information  |  |  |  |  |
| <b>1a</b> Name of plan<br>PAUL SCHERER & COMPANY LLP 401(K) SAVINGS PLAN   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;">002</td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan<br/>07/01/1990</td> </tr> </table>                 | <b>1b</b> Three-digit plan number (PN) ▶                     | 002  | <b>1c</b> Effective date of plan<br>07/01/1990       |  |
| <b>1b</b> Three-digit plan number (PN) ▶   | 002   |  |  |  |  |
| <b>1c</b> Effective date of plan<br>07/01/1990   |   |  |  |  |  |
| <b>2a</b> Plan sponsor's name and address (employer, if for a single-employer plan)<br>(Address should include room or suite no.)<br><br>PAUL SCHERER & CO.<br><br><br>1440 BROADWAY<br>NEW YORK, NY 10018 | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><b>2b</b> Employer Identification Number (EIN)<br/>13-1974840</td> </tr> <tr> <td><b>2c</b> Sponsor's telephone number<br/>212-588-2200</td> </tr> <tr> <td><b>2d</b> Business code (see instructions)<br/>541211</td> </tr> </table> | <b>2b</b> Employer Identification Number (EIN)<br>13-1974840 | <b>2c</b> Sponsor's telephone number<br>212-588-2200 | <b>2d</b> Business code (see instructions)<br>541211 |  |
| <b>2b</b> Employer Identification Number (EIN)<br>13-1974840   |   |  |  |  |  |
| <b>2c</b> Sponsor's telephone number<br>212-588-2200   |   |  |  |  |  |
| <b>2d</b> Business code (see instructions)<br>541211   |   |  |  |  |  |

**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.

|                  |   |            |  |
|------------------|---|------------|--|
| <b>SIGN HERE</b> | Filed with authorized/valid electronic signature. | 10/12/2011 | SHELLY DANIELS   |
|                  | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> | Filed with authorized/valid electronic signature. | 10/12/2011 | SHELLY DANIELS   |
|                  | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |   |            |  |
|                  | Signature of DFE                                  | Date       | Enter name of individual signing as DFE                      |

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

Form 5500 (2010)  
v.092307.1

|  |   |
|--|---|
| <b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same")<br>PAUL SCHERER & CO.<br><br>1440 BROADWAY<br>NEW YORK, NY 10018 | <b>3b</b> Administrator's EIN<br>13-1974840<br><br><b>3c</b> Administrator's telephone number<br>212-588-2200 |
|--|---|

|   |                                   |
|---|-----------------------------------|
| <b>4</b> 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:<br><br><b>a</b> Sponsor's name | <b>4b</b> EIN<br><br><b>4c</b> PN |
|---|-----------------------------------|

|   |          |     |
|---|----------|-----|
| <b>5</b> Total number of participants at the beginning of the plan year | <b>5</b> | 101 |
|---|----------|-----|

|  |           |    |
|--|-----------|----|
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ). |           |    |
| <b>a</b> Active participants.....  | <b>6a</b> | 70 |
| <b>b</b> Retired or separated participants receiving benefits.....   | <b>6b</b> | 0  |
| <b>c</b> Other retired or separated participants entitled to future benefits.....  | <b>6c</b> | 29 |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....   | <b>6d</b> | 99 |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....  | <b>6e</b> | 0  |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....  | <b>6f</b> | 99 |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....         | <b>6g</b> | 93 |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....             | <b>6h</b> | 1  |

|  |          |  |
|--|----------|--|
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) ..... | <b>7</b> |  |
|--|----------|--|

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

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

|   |   |
|---|---|
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor |
|---|---|

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

**a Pension Schedules**

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

**b General Schedules**

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

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

|  |  |
|--|--|
| For calendar plan year 2010 or fiscal plan year beginning <b>01/01/2010</b> and ending <b>12/31/2010</b> |  |
| <b>A</b> Name of plan<br><b>PAUL SCHERER &amp; COMPANY LLP 401(K) SAVINGS PLAN</b>                       | <b>B</b> Three-digit plan number (PN) <b>►</b> <b>002</b>          |
|  |  |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>PAUL SCHERER &amp; CO.</b>           | <b>D</b> Employer Identification Number (EIN)<br><b>13-1974840</b> |

|               |  |
|---------------|--|
| <b>Part I</b> | <b>Service Provider Information (see instructions)</b> |
|---------------|--|

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.

|   |
|---|
| <b>1 Information on Persons Receiving Only Eligible Indirect Compensation</b> |
|---|

**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>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation<br><br><b>FIDELITY INVESTMENTS INST. OPS. CO.</b><br><br><b>04-2647786</b> |
|--|

|  |
|--|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation |
|--|

|   |
|---|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
|---|

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

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

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

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

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

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

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

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**(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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|--|---|---|---|--|---|
| 64 65 37 60                   | RECORDKEEPER   | 190   | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>   | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>   | 0  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                 |

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

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

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

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

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

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

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

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

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

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

**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<br>(see instructions)  | (c) Enter amount of indirect compensation |
|---|--|---|
| FIDELITY INVESTMENTS INSTITUTIONAL  | 60   | 0   |
|   |  |   |
| (d) Enter name and EIN (address) of source of indirect compensation                                 | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |   |
| NORTHERN SM CAP VAL - NORTHERN TRUS 50 SOUTH LASALLE ST<br>P.O. BOX 75986<br>CHICAGO, IL 60675-5986 | 0.40%  |   |
|   |  |   |
| (a) Enter service provider name as it appears on line 2   | (b) Service Codes<br>(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<br>(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. |   |
|   |  |   |
|   |  |   |

**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.

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



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

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN;       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN;       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|   |  |   |
|---|--|---|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Financial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110                             |
|   |  | <b>2010</b>                                   |
|   |  | <b>This Form is Open to Public Inspection</b> |

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

|  |  |
|--|--|
| <b>A</b> Name of plan<br><u>PAUL SCHERER &amp; COMPANY LLP 401(K) SAVINGS PLAN</u> | <b>B</b> Three-digit plan number (PN) <u>002</u>   |
|  | <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>PAUL SCHERER &amp; CO.</u> |
| <b>D</b> Employer Identification Number (EIN)<br><u>13-1974840</u>                 |  |

**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 |
|---|-----------------|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash .....   | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                      |                 |                       |                 |
| <b>(1)</b> Employer contributions .....   | <b>1b(1)</b>    |                       |                 |
| <b>(2)</b> Participant contributions .....  | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other.....   | <b>1b(3)</b>    |                       |                 |
| <b>c</b> General investments:   |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....  | <b>1c(1)</b>    | <u>730046</u>         | <u>796802</u>   |
| <b>(2)</b> U.S. Government securities.....  | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                           |                 |                       |                 |
| <b>(A)</b> Preferred .....  | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....   | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                     |                 |                       |                 |
| <b>(A)</b> Preferred .....  | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common .....   | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....  | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                  | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....   | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans .....  | <b>1c(8)</b>    | <u>18407</u>          | <u>9060</u>     |
| <b>(9)</b> Value of interest in common/collective trusts.....                                     | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts.....                                    | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                           | <b>1c(11)</b>   |                       |                 |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                 | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....        | <b>1c(13)</b>   | <u>10639913</u>       | <u>12566862</u> |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts)..... | <b>1c(14)</b>   |                       |                 |
| <b>(15)</b> Other .....   | <b>1c(15)</b>   |                       |                 |

**1d** Employer-related investments:

|  |              | (a) Beginning of Year | (b) End of Year |
|--|--------------|-----------------------|-----------------|
| (1) Employer securities .....  | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 11388366              | 13372724        |

**Liabilities**

|   |           |   |   |
|---|-----------|---|---|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |   |   |
| <b>h</b> Operating payables .....   | <b>1h</b> |   |   |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |   |   |
| <b>j</b> Other liabilities .....  | <b>1j</b> |   |   |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 0 | 0 |

**Net Assets**

|   |           |          |          |
|---|-----------|----------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 11388366 | 13372724 |
|---|-----------|----------|----------|

**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 |
|--|-----------------|------------|-----------|
| <b>a Contributions:</b>  |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....  | <b>2a(1)(A)</b> | 48823      |           |
| <b>(B)</b> Participants .....  | <b>2a(1)(B)</b> | 777749     |           |
| <b>(C)</b> Others (including rollovers) .....  | <b>2a(1)(C)</b> | 90         |           |
| (2) Noncash contributions .....  | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 826662    |
| <b>b Earnings on investments:</b>  |                 |            |           |
| (1) Interest:  |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> | 139        |           |
| <b>(B)</b> U.S. Government securities .....  | <b>2b(1)(B)</b> |            |           |
| <b>(C)</b> Corporate debt instruments .....  | <b>2b(1)(C)</b> |            |           |
| <b>(D)</b> Loans (other than to participants) .....  | <b>2b(1)(D)</b> |            |           |
| <b>(E)</b> Participant loans .....   | <b>2b(1)(E)</b> | 1052       |           |
| <b>(F)</b> Other .....   | <b>2b(1)(F)</b> |            |           |
| (G) Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                                     | <b>2b(1)(G)</b> |            | 1191      |
| (2) Dividends: <b>(A)</b> Preferred stock .....  | <b>2b(2)(A)</b> |            |           |
| <b>(B)</b> Common stock .....  | <b>2b(2)(B)</b> |            |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> | 182845     |           |
| (D) Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                         | <b>2b(2)(D)</b> |            | 182845    |
| (3) Rents .....  | <b>2b(3)</b>    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |            |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....  | <b>2b(4)(B)</b> |            |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            |           |

|   |                 | (a) Amount | (b) Total |
|---|-----------------|------------|-----------|
| <b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....              | <b>2b(5)(A)</b> |            |           |
| (B) Other .....   | <b>2b(5)(B)</b> |            |           |
| (C) Total unrealized appreciation of assets.<br>Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....    | <b>2b(5)(C)</b> |            |           |
| (6) Net investment gain (loss) from common/collective trusts .....                                | <b>2b(6)</b>    |            |           |
| (7) Net investment gain (loss) from pooled separate accounts .....                                | <b>2b(7)</b>    |            |           |
| (8) Net investment gain (loss) from master trust investment accounts .....                        | <b>2b(8)</b>    |            |           |
| (9) Net investment gain (loss) from 103-12 investment entities .....                              | <b>2b(9)</b>    |            |           |
| (10) Net investment gain (loss) from registered investment<br>companies (e.g., mutual funds)..... | <b>2b(10)</b>   |            | 1462323   |
| <b>c</b> Other income.....  | <b>2c</b>       |            |           |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....           | <b>2d</b>       |            | 2473021   |

**Expenses**

|  |              |        |        |
|--|--------------|--------|--------|
| <b>e</b> Benefit payment and payments to provide benefits:                                 |              |        |        |
| (1) Directly to participants or beneficiaries, including direct rollovers .....            | <b>2e(1)</b> | 488456 |        |
| (2) To insurance carriers for the provision of benefits .....                              | <b>2e(2)</b> |        |        |
| (3) Other .....  | <b>2e(3)</b> |        |        |
| (4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....                | <b>2e(4)</b> |        | 488456 |
| <b>f</b> Corrective distributions (see instructions) .....                                 | <b>2f</b>    |        |        |
| <b>g</b> Certain deemed distributions of participant loans (see instructions).....         | <b>2g</b>    |        |        |
| <b>h</b> Interest expense.....   | <b>2h</b>    |        |        |
| <b>i</b> Administrative expenses: (1) Professional fees .....                              | <b>2i(1)</b> |        |        |
| (2) Contract administrator fees .....  | <b>2i(2)</b> |        |        |
| (3) Investment advisory and management fees .....  | <b>2i(3)</b> |        |        |
| (4) Other .....  | <b>2i(4)</b> | 207    |        |
| (5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....         | <b>2i(5)</b> |        | 207    |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | <b>2j</b>    |        | 488663 |

**Net Income and Reconciliation**

|   |              |  |         |
|---|--------------|--|---------|
| <b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> ..... | <b>2k</b>    |  | 1984358 |
| <b>l</b> Transfers of assets:   |              |  |         |
| (1) To this plan.....   | <b>2l(1)</b> |  |         |
| (2) From this plan .....  | <b>2l(2)</b> |  |         |

**Part III Accountant's Opinion**

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

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

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

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

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

(1) Name: LILLING & COMPANY

(2) EIN: 13-3447681

**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 |
|---|-----|----|--------|
| <b>a</b> Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....                 |     | X  |        |
| <b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)..... |     | X  |        |
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....  |     | X  |        |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....  |     | X  |        |
| <b>e</b> Was this plan covered by a fidelity bond?.....   | X   |    | 500000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....   |     | X  |        |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....  |     | X  |        |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....  |     | X  |        |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....   | X   |    |        |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....  |     | X  |        |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....  |     | X  |        |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....  |     | X  |        |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....   |     | X  |        |
| <b>n</b> 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. ....  |     | X  |        |

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

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

**5b(1)** Name of plan(s)

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

|   |  |  |
|---|--|--|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2010</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---|--|--|

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

|  |  |
|--|--|
| <b>A</b> Name of plan<br><u>PAUL SCHERER &amp; COMPANY LLP 401(K) SAVINGS PLAN</u>             | <b>B</b> Three-digit plan number (PN) ▶<br><u>002</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>PAUL SCHERER &amp; CO.</u> | <b>D</b> Employer Identification Number (EIN)<br><u>13-1974840</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

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

|  |          |          |
|--|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....  | <b>1</b> | <u>0</u> |
| <b>2</b> 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):<br><br>EIN(s): <u>04-6568107</u> |          |          |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.   |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....  | <b>3</b> |          |

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

|  |                              |                             |                              |
|--|------------------------------|-----------------------------|------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....   | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| If the plan is a defined benefit plan, go to line 8.   |                              |                             |                              |
| <b>5</b> 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.  |                              |                             |                              |
| <b>6 a</b> Enter the minimum required contribution for this plan year .....  | <b>6a</b>                    |                             |                              |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....   | <b>6b</b>                    |                             |                              |
| <b>c</b> 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).....  | <b>6c</b>                    |                             |                              |
| If you completed line 6c, skip lines 8 and 9.  |                              |                             |                              |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....   | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <b>8</b> 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? ..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|  |                                   |                                   |                               |                             |
|--|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| <b>9</b> 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..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input type="checkbox"/> No |
|--|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|

|                |   |
|----------------|---|
| <b>Part IV</b> | <b>ESOPs</b> (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. |
|----------------|---|

|  |                              |                             |
|--|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</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.) ..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

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

Schedule R (Form 5500) 2010  
v.092308.1

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents)

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

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

|  |            |  |
|--|------------|--|
| <b>a</b> The current year .....  | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 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:

|   |            |  |
|---|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

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

|  |            |  |
|--|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....   | <b>16a</b> |  |
| <b>b</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 ..... | <b>16b</b> |  |

- 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): \_\_\_\_\_



**PAUL SCHERER & COMPANY, LLP 401(K) SAVINGS PLAN**

***REPORT ON AUDIT OF FINANCIAL STATEMENTS***

***DECEMBER 31, 2010***

# Lilling & Company LLP

Certified Public Accountants

## ***INDEPENDENT AUDITOR'S REPORT***

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To the Plan Administrator  
Paul Scherer & Company, LLP 401(k) Savings Plan  
New York, New York

We were engaged to audit the accompanying statements of net assets available for benefits of Paul Scherer & Company, LLP 401(k) Savings Plan as of December 31, 2010 and 2009, and the related statement of changes in net assets available for benefits for the year ended December 31, 2010 and the supplemental schedule of assets held for investment purposes as of December 31, 2010. These financial statements and 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 Fidelity Management Trust Company, the trustee 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 the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2010 and 2009, 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 schedule taken as a whole. The form and content of the information included in the financial statements and 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 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.



***CERTIFIED PUBLIC ACCOUNTANTS***  
***Great Neck, New York***

***August 30, 2011***

**PAUL SCHERER & COMPANY LLP 401(k) SAVINGS PLAN**

***STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
DECEMBER 31,***

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|   | <u>2010</u>                 | <u>2009</u>                 |
|---|-----------------------------|-----------------------------|
| <b><i>ASSETS</i></b>                            |                             |                             |
| <b><i>Investments, at fair value</i></b>        | \$ 13,363,665               | \$ 11,369,959               |
| <b><i>Receivables</i></b>                       |                             |                             |
| Participant loans                               | <u>9,060</u>                | <u>18,407</u>               |
| <b><i>NET ASSETS AVAILABLE FOR BENEFITS</i></b> | <u><u>\$ 13,372,725</u></u> | <u><u>\$ 11,388,366</u></u> |

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*See notes to financial statements*

**PAUL SCHERER & COMPANY LLP 401(k) SAVINGS PLAN**

***STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
YEAR ENDED DECEMBER 31, 2010***

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***ADDITIONS TO NET ASSETS ATTRIBUTED TO***

Investment Income

|   |                  |
|---|------------------|
| Net change in fair value of investments | \$ 1,462,324     |
| Interest and dividends                  | <u>184,036</u>   |
|   | <u>1,646,360</u> |

Contributions

|                             |                |
|-----------------------------|----------------|
| Participants' contributions | 777,839        |
| Employer contributions      | <u>48,823</u>  |
|                             | <u>826,662</u> |

|                               |                  |
|-------------------------------|------------------|
| <b><i>TOTAL ADDITIONS</i></b> | <u>2,473,022</u> |
|-------------------------------|------------------|

***DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO***

|                               |            |
|-------------------------------|------------|
| Benefits paid to participants | 488,456    |
| Administrative expenses       | <u>207</u> |

|                                |                |
|--------------------------------|----------------|
| <b><i>TOTAL DEDUCTIONS</i></b> | <u>488,663</u> |
|--------------------------------|----------------|

|                          |           |
|--------------------------|-----------|
| <b><i>NET CHANGE</i></b> | 1,984,359 |
|--------------------------|-----------|

***NET ASSETS AVAILABLE FOR BENEFITS***

|                                  |                   |
|----------------------------------|-------------------|
| <b><i>-BEGINNING OF YEAR</i></b> | <u>11,388,366</u> |
|----------------------------------|-------------------|

|                            |                             |
|----------------------------|-----------------------------|
| <b><i>-END OF YEAR</i></b> | <u><u>\$ 13,372,725</u></u> |
|----------------------------|-----------------------------|

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*See notes to financial statements*

# PAUL SCHERER & COMPANY LLP 401(k) SAVINGS PLAN

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010

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### 1. DESCRIPTION OF PLAN

The following description of the Paul Scherer & Company LLP 401(k) Savings Plan ("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 plan under Internal Revenue Service Code Section ("Code Section") 401(k) effective June 9, 1990.

The Plan covers substantially all employees of Paul Scherer & Company LLP ("Company") who are not hourly employees. The effective date of participation is the first day of each month.

The Plan is subject to the provisions of the Employees Retirement Income Security Act of 1974 (ERISA).

#### **Contributions**

Each year, participants may elect to contribute up to 60% of eligible compensation into the plan up to an annual limit of \$16,500 in 2010 as a salary reduction plus catch-up contributions for participants over age 50. This amount cannot exceed the limit specified under Code Section 402(g) in effect at the beginning of such taxable year. Participants direct the investment of their contribution into various investment options offered by the Plan. The Plan currently offers over twenty mutual funds as investment options. Participants are immediately vested in their contributions plus actual earnings thereon.

Employees may make rollover contributions only in the form of cash or allowable mutual fund shares. Rollover contributions are subject to the terms of the Plan and are fully vested and non-forfeitable.

The Company contributes 25% of the first 4% of base compensation that a participant contributes to the Plan. Additional profit sharing amounts may be contributed at the option of the Company's board of directors and are invested in accordance with each participant's investment option. Contributions are subject to certain limitations.

#### **Vesting**

Participants are 100% vested after three years of service.

## **PAUL SCHERER & COMPANY LLP 401(k) SAVINGS PLAN**

### ***NOTES TO FINANCIAL STATEMENTS*** ***DECEMBER 31, 2010***

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#### **Hardship Withdrawals**

A participant may request a hardship withdrawal under certain conditions as specified in the Plan. Hardship withdrawals must be approved by the Plan administrator.

#### **Participant Accounts**

Each participant's account is credited with the participant's and employer's contribution and allocations of Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings, or account balances, as defined.

The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

#### **Participant Loans**

The participants may borrow from their fund accounts up to specified limits with interest payable at prevailing interest rates. The minimum loan is \$1,000 and the maximum is up to 50% of the vested account balance but not more than \$50,000. Generally, loans are paid through payroll deductions.

#### **Payment of Benefits**

Benefits are recorded when paid. On termination of service due to death, disability or termination, a participant may request that the vested portion of his or her account be paid in one of the following forms of payment: 1) a lump sum; or 2) in installment payments over a period of time. Normal retirement age is 65 under the Plan. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

## **2. SUMMARY OF ACCOUNTING POLICIES**

#### **Accounting Standards Codification**

The Financial Accounting Standards Board ("FASB") has issued FASB Statement No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles*, effective for periods ending after September 15, 2009. This Statement establishes the FASB Accounting Standards Codification ("ASC") as the single source of authoritative United States generally accepted accounting and reporting standards for nongovernmental entities, in addition to guidance issued by the SEC and these financial statements are referenced accordingly.

## PAUL SCHERER & COMPANY LLP 401(k) SAVINGS PLAN

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010

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#### Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

#### Investment Valuation and Income Recognition

The Plans investments are stated at fair value. Quoted market prices are used to value investments. Money market balances and cash accounts are valued at cost, which equals current value. Participants' loans are value at amortized cost, which approximates fair value. Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

#### Use of Estimates

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

### 3. INVESTMENTS

The Plan's investments are held by an administered trust fund. The following table presents investments at December 31, 2010 and 2009. Investments that represent 5% or more of the Plan's net assets are separately identified.

| Investments, at fair value:      | <u>2010</u>          | <u>2009</u>          |
|----------------------------------|----------------------|----------------------|
| Fidelity Contrafund              | \$ 3,947,412         | \$ 3,499,716         |
| Fidelity Intermediate Bond       | 1,443,840            | 1,282,133            |
| Fidelity Overseas Fund           | -                    | 594,220              |
| Fidelity Balanced                | 718,741              | 584,711              |
| Fidelity Low Price Stock         | 1,448,560            | 1,057,741            |
| Fidelity Freedom 2020            | 678,996              | 718,057              |
| Fidelity Retirement Money Market | 796,802              | 730,046              |
| Spartan 500 Index                | 1,435,821            | 1,344,550            |
| Other (less than 5%)             | <u>2,893,493</u>     | <u>1,558,785</u>     |
|                                  | <u>\$ 13,363,665</u> | <u>\$ 11,369,959</u> |

During 2010 the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$1,462,324, all of which were from registered investment companies.

## PAUL SCHERER & COMPANY LLP 401(k) SAVINGS PLAN

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010

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#### 4. INFORMATION PREPARED AND CERTIFIED BY TRUSTEES

The following information included in the accompanying financial statements and supplemental schedule as of and for the years ended December 31, 2010 and 2009 was obtained from data that has been prepared and certified to as complete and accurate by the Plan's trustee, Fidelity Management Trust Company.

|   |               |               |
|---|---------------|---------------|
| Investments, at fair value:             | <u>2010</u>   | <u>2009</u>   |
| Mutual Funds                            | \$ 13,363,665 | \$ 11,369,959 |
| Net change in fair value of investments | 1,462,324     | 2,052,983     |
| Interest and dividends                  | 184,036       | 165,204       |

#### 5. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, Participants will become 100% vested in their accounts.

#### 6. TAX STATUS

The Trust established under the Plan to hold the Plan's assets is qualified in accordance to the appropriate section of the Internal Revenue Code and, accordingly, the Plan's net investment income is exempt from income taxes.

The Plan has obtained a favorable tax determination letter from the Internal Revenue Service as amended, and the Plan sponsor believes that the Plan continues to qualify and to operate as designed.

#### 7. RELATED PARTY TRANSACTIONS

Certain Plan investments are registered investment companies and other investments managed by Fidelity Management Trust Company. Fidelity is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

Administrative expenses of the Plan are the responsibility of the Company.

#### 8. RISKS AND UNCERTAINTIES

The Plan invests in various registered investment companies. Registered investment companies are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could



## PAUL SCHERER & COMPANY LLP 401(k) SAVINGS PLAN

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010

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materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

#### 9. FAIR VALUE MEASUREMENTS

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

|                             |                   |                |
|-----------------------------|-------------------|----------------|
| December 31, 2010           | <u>Fair Value</u> | <u>Level 1</u> |
| Investments, at fair value: |                   |                |
| Mutual Funds                | \$ 13,363,665     | \$ 13,363,665  |
| December 31, 2009           | <u>Fair Value</u> | <u>Level 1</u> |
| Investments, at fair value: |                   |                |
| Mutual Funds                | \$ 11,369,959     | \$ 11,369,959  |

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 inputs were available to the Plan, and Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

Level 1 – The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year-end.

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

#### 10. SUBSEQUENT EVENTS

In preparing the accompanying financial statements, the Plan has reviewed events that have occurred after December 31, 2010, through the date of issuance of these financial statements on August 30, 2011

***SUPPLEMENTAL SCHEDULE***

**PAUL SCHERER & COMPANY LLP 401(k) SAVINGS PLAN**

**FORM 5500 SCHEDULE H, LINE 4i-  
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES  
DECEMBER 31, 2010**

| (a) | (b)   | (c)                                  | (d)           | (e)                  |
|-----|---|--------------------------------------|---------------|----------------------|
|     | <u>Identity of Issue, borrower lessor, or<br/>similar party</u> | <u>Description of<br/>investment</u> | <u>Cost**</u> | <u>Current value</u> |
|     | * Fidelity Contrafund   | 58,282 shares                        |               | \$ 3,947,412         |
|     | * Fidelity Low Price Stock Fund                                 | 37,743 shares                        |               | 1,448,560            |
|     | * Fidelity Intermediate Bond Fund                               | 136,857 shares                       |               | 1,443,840            |
|     | * Spartan 500 Index   | 32,280 shares                        |               | 1,435,821            |
|     | * Fidelity Retirement Money Market Fund                         | 796,802 shares                       |               | 796,802              |
|     | * Fidelity Balanced Fund  | 39,426 shares                        |               | 718,741              |
|     | * Fidelity Freedom Fund 2020                                    | 49,238 shares                        |               | 678,996              |
|     | * Fidelity Mid Cap Stock Fund                                   | 21,044 shares                        |               | 607,113              |
|     | * Fidelity Overseas Fund  | 14,611 shares                        |               | 474,580              |
|     | * Spartan International Index                                   | 11,598 shares                        |               | 407,911              |
|     | * Fidelity Freedom Fund 2025                                    | 27,258 shares                        |               | 314,012              |
|     | * Fidelity Puritan Fund   | 14,791 share                         |               | 264,913              |
|     | * Fidelity Equity Income Fund                                   | 5,534 shares                         |               | 244,945              |
|     | * Spartan Extend Market Index                                   | 4,247 shares                         |               | 162,109              |
|     | * Fidelity Freedom Fund 2040                                    | 13,088 shares                        |               | 104,838              |
|     | Northern Small Cap Value  | 5,475 shares                         |               | 83,274               |
|     | * Fidelity Freedom Fund 2035                                    | 4,641 shares                         |               | 53,234               |
|     | * Fidelity Freedom Fund 2015                                    | 4,410 shares                         |               | 50,009               |
|     | * Fidelity Freedom Fund 2030                                    | 3,532 shares                         |               | 48,638               |
|     | * Fidelity Freedom Fund 2045                                    | 4,340 shares                         |               | 41,191               |
|     | * Fidelity Freedom Fund 2050                                    | 2,896 shares                         |               | 27,168               |
|     | * Fidelity Freedom Income Fund                                  | 470 shares                           |               | 5,307                |
|     | * Fidelity Freedom Fund 2000                                    | 302 shares                           |               | 3,602                |
|     | * Fidelity Freedom Fund 2010                                    | 48 shares                            |               | 649                  |
|     |   |                                      |               | <u>\$ 13,363,665</u> |

\* Denotes a party-in-interest to the Plan

\*\* All investments are Participant directed and therefore  
cost disclosure is not required.

*See independent auditor's report*

***SUPPLEMENTAL SCHEDULE***

**PAUL SCHERER & COMPANY LLP 401(k) SAVINGS PLAN**

**FORM 5500 SCHEDULE H, LINE 4i-  
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES  
DECEMBER 31, 2010**

| (a) | (b)   | (c)                                  | (d)           | (e)                  |
|-----|---|--------------------------------------|---------------|----------------------|
|     | <u>Identity of Issue, borrower lessor, or<br/>similar party</u> | <u>Description of<br/>investment</u> | <u>Cost**</u> | <u>Current value</u> |
|     | * Fidelity Contrafund   | 58,282 shares                        |               | \$ 3,947,412         |
|     | * Fidelity Low Price Stock Fund                                 | 37,743 shares                        |               | 1,448,560            |
|     | * Fidelity Intermediate Bond Fund                               | 136,857 shares                       |               | 1,443,840            |
|     | * Spartan 500 Index   | 32,280 shares                        |               | 1,435,821            |
|     | * Fidelity Retirement Money Market Fund                         | 796,802 shares                       |               | 796,802              |
|     | * Fidelity Balanced Fund  | 39,426 shares                        |               | 718,741              |
|     | * Fidelity Freedom Fund 2020                                    | 49,238 shares                        |               | 678,996              |
|     | * Fidelity Mid Cap Stock Fund                                   | 21,044 shares                        |               | 607,113              |
|     | * Fidelity Overseas Fund  | 14,611 shares                        |               | 474,580              |
|     | * Spartan International Index                                   | 11,598 shares                        |               | 407,911              |
|     | * Fidelity Freedom Fund 2025                                    | 27,258 shares                        |               | 314,012              |
|     | * Fidelity Puritan Fund   | 14,791 share                         |               | 264,913              |
|     | * Fidelity Equity Income Fund                                   | 5,534 shares                         |               | 244,945              |
|     | * Spartan Extend Market Index                                   | 4,247 shares                         |               | 162,109              |
|     | * Fidelity Freedom Fund 2040                                    | 13,088 shares                        |               | 104,838              |
|     | Northern Small Cap Value  | 5,475 shares                         |               | 83,274               |
|     | * Fidelity Freedom Fund 2035                                    | 4,641 shares                         |               | 53,234               |
|     | * Fidelity Freedom Fund 2015                                    | 4,410 shares                         |               | 50,009               |
|     | * Fidelity Freedom Fund 2030                                    | 3,532 shares                         |               | 48,638               |
|     | * Fidelity Freedom Fund 2045                                    | 4,340 shares                         |               | 41,191               |
|     | * Fidelity Freedom Fund 2050                                    | 2,896 shares                         |               | 27,168               |
|     | * Fidelity Freedom Income Fund                                  | 470 shares                           |               | 5,307                |
|     | * Fidelity Freedom Fund 2000                                    | 302 shares                           |               | 3,602                |
|     | * Fidelity Freedom Fund 2010                                    | 48 shares                            |               | 649                  |
|     |   |                                      |               | <u>\$ 13,363,665</u> |

\* Denotes a party-in-interest to the Plan

\*\* All investments are Participant directed and therefore  
cost disclosure is not required.

*See independent auditor's report*