# 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;
- [X] 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
LAKESHORE LEARNING MATERIALS 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 06/01/2000

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

2695 E DOMINQUEZ ST
CARSON, CA 90749

**2b** Employer Identification Number (EIN) 94-1525814

**2c** Sponsor's telephone number 310-537-8600

**2d** Business code (see instructions) 453990

**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. | 10/13/2011 | RENEE VILLELA |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/13/2011 | DAVID BO KAPLAN |
| | **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")
LAKESHORE EQUIPMENT COMPANY

2695 E DOMINQUEZ ST
CARSON, CA 90749

**3b** Administrator's EIN
94-1525814

**3c** Administrator's telephone number
310-537-8600

**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** | 1881 |
| **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** | 1838 |
| **b** | Retired or separated participants receiving benefits | **6b** | 0 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 164 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 2002 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 2002 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 761 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 0 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

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

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

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

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

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

| | | |
|---|---|---|
| **(1)** | X | Insurance |
| **(2)** | | Code section 412(e)(3) insurance contracts |
| **(3)** | | 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)** | X | 1 | **A** (Insurance Information) |
| **(4)** | X | | **C** (Service Provider Information) |
| **(5)** | X | | **D** (DFE/Participating Plan Information) |
| **(6)** | | | **G** (Financial Transaction Schedules) |

# SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Insurance Information

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

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

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

OMB No. 1210-0110

**2010**

**This Form is Open to Public Inspection**

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

**A** Name of plan
LAKESHORE LEARNING MATERIALS 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500.
LAKESHORE EQUIPMENT COMPANY

**D** Employer Identification Number (EIN)
94-1525814

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

**1** Coverage Information:

**(a)** Name of insurance carrier
GREAT WEST LIFE AND ANNUITY

| (b) EIN | (c) NAIC code | (d) Contract or identification number | (e) Approximate number of persons covered at end of policy or contract year | Policy or contract year | |
|---|---|---|---|---|---|
| | | | | (f) From | (g) To |
| 84-0467907 | 68322 | 935987-01 | 761 | 01/01/2010 | 12/31/2010 |

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

| (a) Total amount of commissions paid | (b) Total amount of fees paid |
|---|---|
| 83233 | 0 |

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

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

FINANCIAL TELESIS INC DBA JHW FINAN
13299 STONE CANYON RD
CHINO HILLS, CA 91709

| (b) Amount of sales and base commissions paid | Fees and other commissions paid | | (e) Organization code |
|---|---|---|---|
| | (c) Amount | (d) Purpose | |
| 83233 | | | 3 |

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

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

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

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

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

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

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

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

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

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

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

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

## Part II Investment and Annuity Contract Information

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

| | | | |
|---|---|---|---|
| 4 | Current value of plan's interest under this contract in the general account at year end | 4 | 3229708 |
| 5 | Current value of plan's interest under this contract in separate accounts at year end | 5 | 24019360 |

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

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

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity (3) ☐ other (specify) ▶

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

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

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee (3) ☐ guaranteed investment (4) ☒ other ▶ GROUP ANNUITY CONTRACT

| | | | | | |
|---|---|---|---|---|---|
| b | Balance at the end of the previous year | | | 7b | 2572497 |
| c | Additions: (1) Contributions deposited during the year | 7c(1) | 295880 | | |
| | (2) Dividends and credits | 7c(2) | 0 | | |
| | (3) Interest credited during the year | 7c(3) | 70433 | | |
| | (4) Transferred from separate account | 7c(4) | 835276 | | |
| | (5) Other (specify below) ▶ LOAN PAYMENTS | 7c(5) | 41601 | | |
| | (6) Total additions | | | 7c(6) | 1243190 |
| d | Total of balance and additions (add **b** and **c(6)**) | | | 7d | 3815687 |
| e | Deductions: | | | | |
| | (1) Disbursed from fund to pay benefits or purchase annuities during year | 7e(1) | 190977 | | |
| | (2) Administration charge made by carrier | 7e(2) | 1773 | | |
| | (3) Transferred to separate account | 7e(3) | 393229 | | |
| | (4) Other (specify below) ▶ | 7e(4) | 0 | | |
| | (5) Total deductions | | | 7e(5) | 585979 |
| f | Balance at the end of the current year (subtract **e(5)** from **d**) | | | 7f | 3229708 |

## Part III Welfare Benefit Contract Information

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

**8** Benefit and contract type (check all applicable boxes)

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

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

Specify nature of costs ▶

## Part IV Provision of Information

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

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

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

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

**A** Name of plan
LAKESHORE LEARNING MATERIALS 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
LAKESHORE EQUIPMENT COMPANY

**D** Employer Identification Number (EIN)
94-1525814

## 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)

ADVISED ASSET GROUP
8515 EAST ORCHARD ROAD
GREENWOOD VILLAGE, CO 80111

| (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? |
|---|---|---|---|---|---|---|
| 28 | INVESTMENT MGMT | 4376 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

GREAT-WEST LIFE & ANNUITY COMPANY
8515 EAST ORCHARD ROAD
GREENWOOD VILLAGE, CO 80111

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 64 | RECORDKEEPER | 16750 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] No [ ] |

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

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

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

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

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

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

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

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

## 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 |
|---|---|---|
| | | |

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

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

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan Information

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

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

OMB No. 1210-0110

**2010**

**This Form is Open to Public Inspection.**

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

**A** Name of plan
LAKESHORE LEARNING MATERIALS 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
LAKESHORE EQUIPMENT COMPANY

**D** Employer Identification Number (EIN)
94-1525814

**Part I** **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

**a** Name of MTIA, CCT, PSA, or 103-12 IE: FUTURE FUNDS SERIES ACCT II OF GWL

**b** Name of sponsor of entity listed in (a): GREAT-WEST LIFE & ANNUITY INS. CO.

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 84-0467907-003 | P | 24019360 |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

**a** Plan name

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

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

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

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

OMB No. 1210-0110

**2010**

**This Form is Open to Public Inspection**

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

**A** Name of plan
LAKESHORE LEARNING MATERIALS 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
LAKESHORE EQUIPMENT COMPANY

**D** Employer Identification Number (EIN)
94-1525814

## 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 | 0 | 0 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 0 | 0 |
| **(2)** Participant contributions | 1b(2) | 0 | 0 |
| **(3)** Other | 1b(3) | 0 | 0 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 0 | 0 |
| **(2)** U.S. Government securities | 1c(2) | 0 | 0 |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | 0 | 0 |
| **(B)** All other | 1c(3)(B) | 0 | 0 |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | 0 | 0 |
| **(B)** Common | 1c(4)(B) | 0 | 0 |
| **(5)** Partnership/joint venture interests | 1c(5) | 0 | 0 |
| **(6)** Real estate (other than employer real property) | 1c(6) | 0 | 0 |
| **(7)** Loans (other than to participants) | 1c(7) | 0 | 0 |
| **(8)** Participant loans | 1c(8) | 996452 | 1344413 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 0 | 0 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | 19333075 | 24019360 |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | 0 | 0 |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | 0 | 0 |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 0 | 0 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | 2572497 | 3229708 |
| **(15)** Other | 1c(15) | 0 | 0 |

| | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **1d** Employer-related investments: | | | |
| **(1)** Employer securities | 1d(1) | 0 | 0 |
| **(2)** Employer real property | 1d(2) | 0 | 0 |
| **e** Buildings and other property used in plan operation | 1e | 0 | 0 |
| **f** Total assets (add all amounts in lines 1a through 1e) | 1f | 22902024 | 28593481 |
| **Liabilities** | | | |
| **g** Benefit claims payable | 1g | 0 | 0 |
| **h** Operating payables | 1h | | |
| **i** Acquisition indebtedness | 1i | 0 | 0 |
| **j** Other liabilities | 1j | 0 | 0 |
| **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 | 22902024 | 28593481 |

## 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) | 1091061 | |
| **(B)** Participants | 2a(1)(B) | 2453014 | |
| **(C)** Others (including rollovers) | 2a(1)(C) | 188809 | |
| **(2)** Noncash contributions | 2a(2) | 0 | |
| **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 3732884 |
| **b Earnings on investments:** | | | |
| **(1)** Interest: | | | |
| **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 0 | |
| **(B)** U.S. Government securities | 2b(1)(B) | 0 | |
| **(C)** Corporate debt instruments | 2b(1)(C) | 0 | |
| **(D)** Loans (other than to participants) | 2b(1)(D) | 0 | |
| **(E)** Participant loans | 2b(1)(E) | 58757 | |
| **(F)** Other | 2b(1)(F) | 71208 | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 129965 |
| **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | 0 | |
| **(B)** Common stock | 2b(2)(B) | 0 | |
| **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 0 |
| **(3)** Rents | 2b(3) | | 0 |
| **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | 0 | |
| **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | 0 | |
| **(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) | 0 | |
| | (B) Other | 2b(5)(B) | 0 | |
| | (C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B) | 2b(5)(C) | | 0 |
| | (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | 0 |
| | (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | 2937894 |
| | (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | 0 |
| | (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | 0 |
| | (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | 0 |
| c | Other income | 2c | | 0 |
| d | Total income. Add all **income** amounts in column (b) and enter total | 2d | | 6800743 |
| | **Expenses** | | | |
| e | Benefit payment and payments to provide benefits: | | | |
| | (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 1071774 | |
| | (2) To insurance carriers for the provision of benefits | 2e(2) | 0 | |
| | (3) Other | 2e(3) | 0 | |
| | (4) Total benefit payments. Add lines 2e(1) through (3) | 2e(4) | | 1071774 |
| f | Corrective distributions (see instructions) | 2f | | 0 |
| g | Certain deemed distributions of participant loans (see instructions) | 2g | | 16386 |
| h | Interest expense | 2h | | 0 |
| i | Administrative expenses: (1) Professional fees | 2i(1) | 0 | |
| | (2) Contract administrator fees | 2i(2) | 21126 | |
| | (3) Investment advisory and management fees | 2i(3) | 0 | |
| | (4) Other | 2i(4) | 0 | |
| | (5) Total administrative expenses. Add lines 2i(1) through (4) | 2i(5) | | 21126 |
| j | Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 1109286 |
| | **Net Income and Reconciliation** | | | |
| k | Net income (loss). Subtract line 2j from line 2d | 2k | | 5691457 |
| l | Transfers of assets: | | | |
| | (1) To this plan | 2l(1) | | 0 |
| | (2) From this plan | 2l(2) | | 0 |

## 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: REZNICK GROUP **(2)** EIN: 52-1088612

**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 | | X | |

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

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

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

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Retirement Plan Information

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

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

OMB No. 1210-0110

**2010**

**This Form is Open to Public Inspection.**

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

**A** Name of plan
LAKESHORE LEARNING MATERIALS 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
LAKESHORE EQUIPMENT COMPANY

**D** Employer Identification Number (EIN)
94-1525814

## Part I Distributions

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

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

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

EIN(s): 20-3691708

**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):

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FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

# LAKESHORE LEARNING MATERIALS
# 401(K) PLAN

DECEMBER 31, 2010

Lakeshore Learning Materials 401(k) Plan

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# INDEPENDENT AUDITORS' REPORT

To the Trustees
Lakeshore Learning Materials 401(k) Plan:

We were engaged to audit the accompanying statements of net assets available for benefits of Lakeshore Learning Materials 401(k) Plan (the Plan) as of December 31, 2010 and 2009, and the related statement of changes in net assets available for benefits for the year ended December 31, 2010, and the supplemental schedule of assets (held at end of year) as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Great West Life & Annuity Insurance Company, the custodian and Orchard Trust Company, LLC, trustee, except for comparing the information with the related information included in the 2010 financial statements and supplemental schedule. We have been informed by the plan administrator that the custodian and trustee hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained certifications from the custodian and trustee as of and for the years ended December 31, 2010 and 2009, that the information provided to the plan administrator by the custodian and 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 custodian and 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.

Reznick Group, P.C.

Los Angeles, California
October 4, 2011

Lakeshore Learning Materials 401(k) Plan

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2010 and 2009

ASSETS

| | 2010 | 2009 |
|---|---|---|
| Investments, at fair value | | |
| Participant directed investments | $ 27,238,773 | $ 21,896,295 |
| Unallocated forfeitures in insurance company general account | 10,295 | 9,277 |
| Total investments, at fair value | 27,249,068 | 21,905,572 |
| Receivables | | |
| Employer contributions | 1,168,503 | 1,091,061 |
| Participant contributions | 6,997 | - |
| Notes receivable from participants | 1,344,413 | 996,452 |
| Total receivables | 2,519,913 | 2,087,513 |
| Net assets available for benefits | $ 29,768,981 | $ 23,993,085 |

See notes to financial statements

Lakeshore Learning Materials 401(k) Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31, 2010

| | |
|---|---|
| Additions to net assets attributed to: | |
| Income | |
| Net appreciation in fair value of investments | $ 2,937,894 |
| Interest and dividends | 129,965 |
| Total income | 3,067,859 |
| Contributions | |
| Participants | 2,460,011 |
| Employer | 1,168,503 |
| Rollovers | 188,809 |
| Total contributions | 3,817,323 |
| Total additions | 6,885,182 |
| Deductions from net assets attributed to: | |
| Benefit payments | 1,088,160 |
| Administrative expenses | 21,126 |
| Total deductions | 1,109,286 |
| Net increase | 5,775,896 |
| Net assets available for benefits | |
| Beginning of year | 23,993,085 |
| End of year | $ 29,768,981 |

See notes to financial statements

Lakeshore Learning Materials 401(k) Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

## NOTE 1 - PLAN DESCRIPTION

The following description of the Lakeshore Learning Materials 401(k) Plan (the Plan) provides only general information. Participants and other interested parties should refer to the Plan Document for a more complete description of the Plan's provisions.

### General

The Plan is defined as a defined contribution prototype plan and trust. The Plan, which became effective June 1, 2001, and was restated effective August 20 2010, is a defined contribution plan covering employees Lakeshore Equipment Company and Lakeshore Kids & Company (collectively, the Company or Plan Sponsor). The Plan is intended to qualify under Section 401(k) of the Internal Revenue Code (IRC) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). An employee is eligible to participate in the Plan at the beginning of each month.

The Plan is administered by the Company. The Plan's assets are held in custody of Great West Life & Annuity Insurance Company (the Custodian) and Orchard Trust Company, LLC (the Trustee) (collectively, Great West).

### Contributions

Each year, eligible participants may contribute up to 100% of pretax annual compensation, as defined in the Plan, and subject to the annual limits of the IRC. Contributions are made through payroll deductions and consist of 401(k) contributions and Roth 401(k) contributions. In addition, participants 50 years of age or older may elect to make a catch-up deferral contribution of up to $5,500 for the year ended December 31, 2010. Distributions from other qualified retirement plans can also be contributed to the Plan and retained as a rollover contribution.

The Plan provides that the Company may make matching contributions during the year. To be eligible to receive employer match, participants must obtain one year of service. In accordance with the safe harbor provisions of the IRC, contributions are matched at a rate of 100% of the first 3% of compensation contributed and 50% of the next 2% of compensation contributed. The Company declared matching contributions of $1,168,503 and $1,091,061 to the Plan during the years ended December 31, 2010 and 2009, respectively.

Participant Accounts

Each participant's account is credited with the participant's contribution, allocations of the matching contribution and Plan earnings, and charged with any withdrawals or distributions requested by the participant, investment losses and allocation of administrative expenses, if applicable. 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.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's matching contribution portion of their accounts plus actual earnings thereon is based on obtaining one year of service.

Forfeitures

Terminated participants forfeit non-vested Company contributions. Remaining forfeitures shall be applied in accordance with specific provisions of the Plan. As of December 31, 2010 and 2009, the balance of the unallocated funds from forfeited accounts was $10,295 and $9,277, respectively.

Participant Loans

Participants may borrow from their accounts a minimum of $1,000 up to a maximum equal to 50% of their vested account balance, but may not exceed $50,000. Loan terms range from one to five years or up to fifteen years for the purchase of a principal residence. Loans will bear interest at a rate of prime rate plus one percent on the first business day of the month before the loan origination date. During 2010, the loans bore interest from 4.25% - 9.25%. Interest income from these loans is treated as income to the Plan and is allocated with other earnings on investments and credited to the respective employee's account.

Payment of Benefits

Upon termination of service for reasons other than death, retirement or disability, a participant or designated beneficiary will receive the vested percentage of his or her account balance. The distribution can be a lump-sum distribution, or, at the discretion of the participant, subject to certain limitations, may be in the form of an annuity beginning at retirement age if requested by the participant if vested account balances exceed $1,000. In

the event a participant terminates or retires and the participant's vested account balance is less than $1,000, the balance will be paid in a lump sum distribution as soon as administratively feasible upon termination of employment.

Administrative Expenses

Administrative expenses may be paid by the Plan. Administrative expenses not paid by the Plan are paid by the Company. Certain investment management fees and other charges are offset against fund performance in net realized and unrealized appreciation in fair value of investments and are not, therefore, separately reflected as administrative expenses.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Plan have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to employee benefit plans and in accordance with the terms of the trust agreement.

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Investments in pooled separate accounts and insurance company general accounts are measured based on the net asset value of the underlying managed assets as reported to the Plan by the Custodian, which approximates fair value.

As described in the accounting guidance, investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant

measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Guaranteed Portfolio Fund and Guaranteed Certificate Fund, both insurance company general accounts, have been determined by management not to be fully benefit-responsive investment contracts and are therefore stated at contract value.

Purchases and sales of securities are recorded on a trade-date basis. Earnings from investments are recorded as earned using the accrual method of accounting. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

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

Payment of Benefits

Benefit payments to participants are recorded when paid.

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 that such changes could materially affect participants' account balances and the amounts reported on the Statements of Net Assets Available for Benefits.

Recent Accounting Pronouncements

In September 2010, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2010-25, "Reporting Loans to Participants by Defined Contribution Pension Plans" (ASU 2010-25) in order to clarify how loans to participants should be classified and measured by defined contribution pension plans. The amendment to the accounting guidance requires that participant loans be classified as notes receivable from

participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. The effect of ASU 2010-25 has also been retrospectively applied to the accompanying statements of net assets available for benefits as of the year ended December 31, 2009. The adoption of ASU 2010-25 did not have a material impact on the Plan's financial statements.

## NOTE 3 - FAIR VALUE

The accounting guidance for fair value measurements and disclosures clarifies the principle that fair value should be based on the assumptions that market participants would use when pricing the asset or liability, and establishes the following fair value hierarchy:

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

Level 2 Inputs to the valuation methodology include:

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

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The following table sets forth by level, within the fair value hierarchy, the Plan's certified investments at fair value (see note 4) as of December 31, 2010:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Pooled separate accounts | | | | |
| Conservative allocation | $ - | $ 1,606,165 | $ - | $ 1,606,165 |
| Foreign large blend | - | 610,129 | - | 610,129 |
| Foreign large value | - | 432,861 | - | 432,861 |
| Foreign small/mid value | - | 91,812 | - | 91,812 |
| Intermediate government | - | 252,431 | - | 252,431 |
| Intermediate-term bond | - | 2,128,787 | - | 2,128,787 |
| Large blend | - | 4,162,582 | - | 4,162,582 |
| Large growth | - | 2,599,569 | - | 2,599,569 |
| Large value | - | 1,564,992 | - | 1,564,992 |
| Mid-cap blend | - | 1,128,405 | - | 1,128,405 |
| Mid-cap growth | - | 725,946 | - | 725,946 |
| Mid-cap value | - | 1,117,125 | - | 1,117,125 |
| Moderate allocation | - | 3,772,378 | - | 3,772,378 |
| Mutlisector bond | - | 870,902 | - | 870,902 |
| Small blend | - | 396,900 | - | 396,900 |
| Small growth | - | 987,374 | - | 987,374 |
| World stock | - | 1,571,003 | - | 1,571,003 |
| Total pooled separate accounts | - | 24,019,361 | - | 24,019,361 |
| Insurance company general account | - | 3,229,707 | - | 3,229,707 |
| Total | $ - | $ 27,249,068 | $ - | $ 27,249,068 |

The following table sets forth by level, within the fair value hierarchy, the Plan's certified investments at fair value (see note 4) as of December 31, 2009:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Pooled separate accounts | | | | |
| Conservative allocation | $ - | $ 1,258,384 | $ - | $ 1,258,384 |
| Foreign large blend | - | 431,350 | - | 431,350 |
| Foreign large value | - | 368,113 | - | 368,113 |
| Foreign small/mid value | - | 132,267 | - | 132,267 |
| Intermediate government | - | 296,083 | - | 296,083 |
| Intermediate-term bond | - | 1,935,909 | - | 1,935,909 |
| Large blend | - | 3,153,958 | - | 3,153,958 |
| Large growth | - | 2,148,425 | - | 2,148,425 |
| Large value | - | 1,320,569 | - | 1,320,569 |
| Mid-cap blend | - | 844,635 | - | 844,635 |
| Mid-cap growth | - | 570,591 | - | 570,591 |
| Mid-cap value | - | 955,097 | - | 955,097 |
| Moderate allocation | - | 2,720,714 | - | 2,720,714 |
| Mutlisector bond | - | 823,438 | - | 823,438 |
| Small blend | - | 265,103 | - | 265,103 |
| Small growth | - | 788,800 | - | 788,800 |
| World stock | - | 1,319,638 | - | 1,319,638 |
| Total pooled separate accounts | - | 19,333,074 | - | 19,333,074 |
| Insurance company general account | - | 2,572,498 | - | 2,572,498 |
| Total | $ - | $ 21,905,572 | $ - | $ 21,905,572 |

## NOTE 4 - INFORMATION CERTIFIED BY PLAN CUSTODIAN AND TRUSTEE (UNAUDITED)

The Custodian and Trustee certified all investments and investment transactions (individually and in summary) as of December 31, 2010 and 2009, and for the year ended December 31, 2010. The certifications include investment income, realized and unrealized gains and losses and certain supplemental schedule information.

During the plan year, the Plan's participant-directed investments (including investments bought, sold and held during the year) appreciated in value by $2,937,894.

The following table presents the fair values of the investments in the Plan that represent 5% or more of the Plan's net assets available for benefits at either December 31, 2010 or 2009:

| | 2010 | 2009 |
|---|---|---|
| Guaranteed Portfolio Fund | $ 3,229,707 | $ 2,571,021 |
| PIMCO Total Return Admin | 1,847,347 | 1,663,170 |
| Maxim Aggressive Profile II | 2,044,829 | 1,520,092 |
| Maxim Conservative Profile II | 1,606,165 | 1,258,384 |
| Maxim Moderate Profile II | 3,772,378 | 2,720,714 |
| Maxim S&P 500 Index Fund | 2,046,747 | 1,590,590 |
| Oppenheimer Global Fund | 1,571,003 | 1,319,638 |
| Other investments less than 5% | 11,130,892 | 9,261,963 |
| | $ 27,249,068 | $ 21,905,572 |

NOTE 5 - INCOME TAX STATUS

The Company believes that the Plan currently is designed and being operated in compliance with the applicable requirements of the IRC based on a favorable opinion letter dated January 31, 2008 for the prototype plan adopted by the Company. The Plan has been subsequently amended and the Plan Administrator believes that the Plan and related trust are designed in accordance with applicable sections of the IRC and, accordingly, are exempt from income taxes.

## NOTE 6 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

| | 2010 | 2009 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 29,768,981 | $ 23,993,085 |
| Participant contributions receivable | (6,997) | - |
| Employer contributions receivable | (1,168,503) | (1,091,061) |
| Net assets available for benefits per form 5500, Schedule H | $ 28,593,481 | $ 22,902,024 |

The following is a reconciliation of contributions per the financial statements to the Form 5500:

| | 2010 |
|---|---|
| Total contributions per the financial statements | $ 3,817,323 |
| 2009 employer contributions receivable | 1,091,061 |
| 2010 participant contributions receivable | (6,997) |
| 2010 employer contributions receivable | (1,168,503) |
| Total contributions per Form 5500, Schedule H | $ 3,732,884 |

## NOTE 7 - PARTY-IN-INTEREST TRANSACTIONS

Investments are managed by the Custodian and Trustee. Transactions involving these investments are considered to be party-in-interest transactions for which statutory exemption exists under the Department of Labor Regulations.

## NOTE 8 - PLAN TERMINATION

Although it has not expressed any intent to do so, the Plan Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

## NOTE 9 - SUBSEQUENT EVENTS

Material subsequent events have been considered for disclosure and recognition in these financial statements through October 4, 2011, the date the financial statements were available to be issued. No events have occurred subsequent to the date of the financial statements through this date that would require recognition or disclosure.

SUPPLEMENTAL INFORMATION

Lakeshore Learning Materials 401(k) Plan

SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EIN #94-1525814
PLAN #001

December 31, 2010

| (a) | (b) Identity of issuer, borrower, or similar party | (c) Description of investment | (e) Current value |
|---|---|---|---|
| * | Guaranteed Portfolio Fund | Insurance company general account | $ 3,229,707 |
| * | American Funds Europacific Growth | Pooled separate accounts | 610,129 |
| * | American Funds Growth Fund Of America | Pooled separate accounts | 314,063 |
| * | Columbia Diversified Equity Income | Pooled separate accounts | 191,201 |
| * | Columbia Mid-Cap Value Fund | Pooled separate accounts | 1,117,125 |
| * | Davis NY Venture | Pooled separate accounts | 71,006 |
| * | Fidelity Advisor Leveraged Co. Stock Fund | Pooled separate accounts | 282,328 |
| * | Lord Abbett Value Opportunities | Pooled separate accounts | 846,077 |
| * | Marsico Focus | Pooled separate accounts | 1,104,156 |
| * | Maxim Aggressive Profile II | Pooled separate accounts | 2,044,829 |
| * | Maxim Bond Index | Pooled separate accounts | 281,440 |
| * | Maxim Conservative Profile II | Pooled separate accounts | 1,606,165 |
| * | Maxim Index 600 | Pooled separate accounts | 369,438 |
| * | Maxim Loomis Sayles Bond Portfolio | Pooled separate accounts | 870,902 |
| * | Maxim Moderate Profile II | Pooled separate accounts | 3,772,378 |
| * | Maxim S & P 500 Index Fund | Pooled separate accounts | 2,046,747 |
| * | Maxim T. Rowe Price Equity Income | Pooled separate accounts | 1,354,158 |
| * | Maxim T. Rowe Price Mid-Cap Growth | Pooled separate accounts | 725,946 |
| * | Maxim US Government Securities Fund | Pooled separate accounts | 252,431 |
| * | MFS International Value | Pooled separate accounts | 432,861 |
| * | Nuveen Small Cap Select A | Pooled separate accounts | 57,809 |
| * | Oppenheimer Capital Appreciation | Pooled separate accounts | 1,181,350 |
| * | Oppenheimer Global Fund | Pooled separate accounts | 1,571,003 |
| * | PIMCO Total Return Admin | Pooled separate accounts | 1,847,347 |
| * | Putnam International Capital Opportunities Fund | Pooled separate accounts | 91,812 |
| * | Ridgeworth Small Cap Growth Fund | Pooled separate accounts | 929,565 |
| * | Royce Total Return Fund | Pooled separate accounts | 27,462 |
| * | Van Kampen Comstock Fund | Pooled separate accounts | 19,633 |
| * | Participant Loans | Loans to participants (4.25% to 9.25% interest) | 1,344,413 |
| | Total investments, at fair value | | $ 28,593,481 |

*Party-in-interest

Note: Cost information is not required for participant-directed investments, and, therefore, not included.

**Attachment to 2010 Form 5500**
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**Plan Name** LAKESHORE LEARNING MATERIALS 401(K) PLAN **EIN:** 94-1525814
**Plan Sponsor's Name** LAKESHORE EQUIPMENT COMPANY **PN:** 001

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. | (d) Cost | (e) Current value |
|---|---|---|---|---|
| | MAXIM CONSERVATIVE PROFILE II | N/A | 1,427,782 | 1,606,165 |
| | MAXIM MODERATE PROFILE II | N/A | 3,385,842 | 3,772,378 |
| | MAXIM AGGRESSIVE PROFILE II | N/A | 1,907,003 | 2,044,829 |
| | AMERICAN FUNDS EUROPACIFIC GROWTH | N/A R | 556,998 | 610,129 |
| | MFS INTERNATIONAL VALUE R2 | N/A | 394,212 | 432,861 |
| | OPPENHEIMER GLOBAL A | N/A | 1,494,174 | 1,571,003 |
| | PUTNAM INT'L CAPITAL OPPORTUNITIES | N/A | 71,492 | 91,812 |

**Attachment to 2010 Form 5500**
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**Plan Name** LAKESHORE LEARNING MATERIALS 401(K) PLAN **EIN:** 94-1525814
**Plan Sponsor's Name** LAKESHORE EQUIPMENT COMPANY **PN:** 001

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. | (d) Cost | (e) Current value |
|---|---|---|---|---|
| | MAXIM INDEX 600 | N/A | 309,079 | 369,438 |
| | NUVEEN SMALL CAP SELECT A | N/A | 42,760 | 57,809 |
| | ROYCE TOTAL RETURN K | N/A | 24,823 | 27,462 |
| | RIDGEWORTH SMALL CAP GROWTH FUND I | N/A | 864,643 | 929,565 |
| | COLUMBIA MID CAP VALUE R | N/A | 945,633 | 1,117,125 |
| | FIDELITY ADVISOR LEVERAGED CO STK | N/A - | 236,314 | 282,328 |
| | LORD ABBETT VALUE OPPORTUNITIES A | N/A | 658,387 | 846,077 |

**Attachment to 2010 Form 5500**
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**Plan Name** LAKESHORE LEARNING MATERIALS 401(K) PLAN **EIN:** 94-1525814
**Plan Sponsor's Name** LAKESHORE EQUIPMENT COMPANY **PN:** 001

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. | (d) Cost | (e) Current value |
|---|---|---|---|---|
| | MAXIM T. ROWE PRICE MID-CAP GROWTH | N/A | 619,435 | 725,946 |
| | AMERICAN FUNDS GROWTH FUND OF AMER | N/A | 275,428 | 314,063 |
| | DAVIS NY VENTURE R | N/A | 58,631 | 71,006 |
| | INVESCO VAN KAMPEN COMSTOCK - R | N/A | 17,094 | 19,633 |
| | MARSICO FOCUS | N/A | 1,105,386 | 1,104,156 |
| | MAXIM S AND P 500 INDEX | N/A | 2,075,784 | 2,046,747 |
| | MAXIM T. ROWE PRICE EQUITY INCOME | N/A | 1,313,922 | 1,354,158 |

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**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**Plan Name** LAKESHORE LEARNING MATERIALS 401(K) PLAN **EIN:** 94-1525814
**Plan Sponsor's Name** LAKESHORE EQUIPMENT COMPANY **PN:** 001

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. | (d) Cost | (e) Current value |
|---|---|---|---|---|
| | OPPENHEIMER CAPITAL APPRECIATION A | N/A | 1,251,826 | 1,181,350 |
| | COLUMBIA DIVERSIFIED EQUITY INCOME | N/A | 187,819 | 191,201 |
| | MAXIM BOND INDEX | N/A | 245,855 | 281,440 |
| | MAXIM LOOMIS SAYLES BOND PORTFOLIO | N/A | 716,505 | 870,902 |
| | MAXIM US GOVERNMENT SECURITIES FUND | N/A | 220,992 | 252,431 |
| | PIMCO TOTAL RETURN ADMIN | N/A | 1,492,102 | 1,847,347 |
| | GUARANTEED PORTFOLIO FUND | N/A | 2,955,618 | 3,219,414 |

**Attachment to 2010 Form 5500**
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**Plan Name** LAKESHORE LEARNING MATERIALS 401(K) PLAN **EIN:** 94-1525814
**Plan Sponsor's Name** LAKESHORE EQUIPMENT COMPANY **PN:** 001

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. | (d) Cost | (e) Current value |
|---|---|---|---|---|
| | PARTICIPANT LOANS | Interest Rate - 4.250-9.250<br>Maturity Date - VARIOUS | 1,340,899 | 1,344,413 |
| | FORFEITURES | N/A | 9,822 | 10,295 |
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