

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

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>WESTERN STATES INCOME SECURITY RETIREMENT PLAN</u>	1b Three-digit plan number (PN) ► <u>001</u> 1c Effective date of plan <u>09/08/1972</u>
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>BOARD OF TRUSTEES, WESTERN STATES INCOME SECURITY FUND</u> <u>2323 EASTLAKE AVENUE EAST</u> <u>SEATTLE, WA 98102-3305</u>	2b Employer Identification Number (EIN) <u>94-2173003</u> 2c Sponsor's telephone number <u>206-329-4900</u> 2d Business code (see instructions) <u>323100</u>

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

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

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/13/2011</u>	<u>SHELLEY GUIDRY</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") BOARD OF TRUSTEES, WESTERN STATES INCOME SECURITY FUND 2323 EASTLAKE AVENUE EAST SEATTLE, WA 98102-3305	3b Administrator's EIN 94-2173003
	3c Administrator's telephone number 206-329-4900
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 7037
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 1588
b Retired or separated participants receiving benefits.....	6b 0
c Other retired or separated participants entitled to future benefits.....	6c 5232
d Subtotal. Add lines 6a , 6b , and 6c	6d 6820
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 0
f Total. Add lines 6d and 6e	6f 6820
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g 7161
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 63
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: 2C 2F 2G 2K	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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) ☒ ¹ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

<div><div><div>SCHEDULE A</div><div>(Form 5500)</div><div>Department of the Treasury Internal Revenue Service</div></div><div><div>Department of Labor Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div></div>	<div>Insurance Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> <div>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</div>	<div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan WESTERN STATES INCOME SECURITY RETIREMENT PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500. BOARD OF TRUSTEES, WESTERN STATES INCOME SECURITY	D Employer Identification Number (EIN) 94-2173003	

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.
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1 Coverage Information:

(a) Name of insurance carrier MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
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(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
04-1590850	65935	MR 60016	11550	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.
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(a) Total amount of commissions paid	(b) Total amount of fees paid
0	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
--

(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	

(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	
5	Current value of plan's interest under this contract in separate accounts at year end	5	
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 ▶		
b	Balance at the end of the previous year	7b	29337634
c	Additions: (1) Contributions deposited during the year	7c(1)	196001
	(2) Dividends and credits	7c(2)	
	(3) Interest credited during the year	7c(3)	868434
	(4) Transferred from separate account	7c(4)	1433851
	(5) Other (specify below)	7c(5)	
	(6) Total additions	7c(6)	2498286
d	Total of balance and additions (add b and c(6))	7d	31835920
e	Deductions:		
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	1294562
	(2) Administration charge made by carrier	7e(2)	35582
	(3) Transferred to separate account	7e(3)	
	(4) Other (specify below)	7e(4)	
	(5) Total deductions	7e(5)	1330144
f	Balance at the end of the current year (subtract e(5) from d)	7f	30505776

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. ▶

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	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 WESTERN STATES INCOME SECURITY RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 BOARD OF TRUSTEES, WESTERN STATES INCOME SECURITY	D Employer Identification Number (EIN) 94-2173003

Part I	Service Provider Information (see instructions)
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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
MASSACHUSETTS MUTUAL LIFE INSURANCE
04-1590850

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
AMERICAN FUNDS
95-6810128

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
MFS
04-3158862

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
OPPENHEIMER
84-1308320

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

OPPENHEIMER

06-1207337

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

AMERICAN CENTURY

43-1646043

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

CRM

01-0513518

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

DODGE & COX

25-6201104

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

LAZARD

13-3777242

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

OPPENHEIMER

13-3054122

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

OPPENHEIMER

13-6918877

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

T. ROWE PRICE

20-0001631

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

T. ROWE PRICE

20-0001634

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

T. ROWE PRICE

20-0001636

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

T. ROWE PRICE

20-0001638

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

T. ROWE PRICE

51-0612044

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

T. ROWE PRICE

52-0791372

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

T. ROWE PRICE

56-2294396

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

NORTHERN TRUST

04-3410047

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

BABSON

04-3464165

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

T. ROWE PRICE

04-3512596

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

BABSON

04-3520009

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

ALGER

P.O. BOX 8480
BOSTON, MA 02266-8480

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

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

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

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

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

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)

NORTHWEST ADMINISTRATORS, INC.

91-0680697

(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?
13 36	NONE	305612	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

MSSB/DOBBS GROUP

13-2919773

(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?
27	NONE	91539	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

DONALDSON & CORNWELL

81-0890007

(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?
29	NONE	88774	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

MILLER, KAPLAN, ARASE & CO., LLP

95-2036255

(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?
10	NONE	58914	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

WELLS FARGO BANK

94-1347393

(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?
25	NONE	8625	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

NUWEST INSURANCE SERVICES

33-0194819

(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?
22 23	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	5873	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
NUWEST INSURANCE SERVICES	22 23	5873
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>TRAVELERS</p> <p>06-1286274</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>INSURANCE COMMISSIONS.</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(a) Enter service provider name as it appears on line 2</p> </div> <div style="width: 20%;"> <p>(b) Service Codes (see instructions)</p> </div> <div style="width: 20%;"> <p>(c) Enter amount of indirect compensation</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(a) Enter service provider name as it appears on line 2</p> </div> <div style="width: 20%;"> <p>(b) Service Codes (see instructions)</p> </div> <div style="width: 20%;"> <p>(c) Enter amount of indirect compensation</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> </div> </div>		

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

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: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan WESTERN STATES INCOME SECURITY RETIREMENT PLAN	B Three-digit plan number (PN)	001
C Plan sponsor's name as shown on line 2a of Form 5500 BOARD OF TRUSTEES, WESTERN STATES INCOME SECURITY	D Employer Identification Number (EIN) 94-2173003	

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	115362	53217
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	192815	234531
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	42944	45211
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	12215	357799
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	59767829	64884458
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	29337634	30505776
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	89468799	96080992

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	108011	93715
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	108011	93715

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	89360788	95987277
---	-----------	----------	----------

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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	2676133	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2676133

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	49	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		49

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	675685	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		675685

(3) Rents	2b(3)		
-----------------	--------------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	859790	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		859790
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		7242629
c Other income.....	2c		275884
d Total income. Add all income amounts in column (b) and enter total.....	2d		11730170

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	4479677	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		4479677
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	149671	
(2) Contract administrator fees	2i(2)	305612	
(3) Investment advisory and management fees	2i(3)	91539	
(4) Other	2i(4)	77182	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		624004
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		5103681

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		6626489
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: MILLER, KAPLAN, ARASE & CO., LLP

(2) EIN: 95-2036255

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

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

5b(1) Name of plan(s)

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

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>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).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan WESTERN STATES INCOME SECURITY RETIREMENT PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 BOARD OF TRUSTEES, WESTERN STATES INCOME SECURITY		D Employer Identification Number (EIN) 94-2173003
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.....		10
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): 04-1590850		
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.....		3228
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....		☐ Yes ☒ No ☐ N/A
If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____		
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year		6a2676133
b Enter the amount contributed by the employer to the plan for this plan year		6b2676133
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
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:

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): _____

WESTERN STATES INCOME SECURITY FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

WESTERN STATES INCOME SECURITY FUND

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Independent Auditors' Report

Board of Trustees
Western States Income Security Fund
2323 Eastlake Avenue East
Seattle, Washington 98102-3305

Members of the Board:

We have audited the accompanying statements of net assets available for benefits of Western States Income Security Fund as of December 31, 2010 and 2009 and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Western States Income Security Fund as of December 31, 2010 and 2009, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

MILLER, KAPLAN, ARASE & CO., LLP

October 5, 2011

WESTERN STATES INCOME SECURITY FUND
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
<u>ASSETS</u>		
<u>INVESTMENTS, AT FAIR VALUE</u>	\$ 97,543,027	\$ 90,398,466
<u>CASH AND CASH EQUIVALENTS</u>	<u>411,016</u>	<u>127,577</u>
<u>TOTAL CASH AND INVESTMENTS</u>	\$ 97,954,043	\$ 90,526,043
<u>OTHER ASSETS</u>		
Contributions Receivable	\$ 234,531	\$ 192,815
Prepaid Expenses and Other Receivables	20,573	19,178
Due From Investment Providers	<u>24,638</u>	<u>23,766</u>
<u>TOTAL OTHER ASSETS</u>	<u>279,742</u>	<u>235,759</u>
<u>TOTAL ASSETS</u>	\$ 98,233,785	\$ 90,761,802
<u>LIABILITIES</u>		
Accounts Payable	<u>\$ 93,715</u>	<u>\$ 108,011</u>
<u>TOTAL LIABILITIES</u>	<u>93,715</u>	<u>108,011</u>
<u>NET ASSETS AVAILABLE FOR BENEFITS</u> <u>AT FAIR VALUE</u>	\$ 98,140,070	\$ 90,653,791
<u>ADJUSTMENT FROM FAIR VALUE TO CONTRACT</u> <u>VALUE FOR FULLY BENEFIT-RESPONSIVE</u> <u>INVESTMENT CONTRACTS - Note 2-A</u>	<u>(2,152,793)</u>	<u>(1,293,003)</u>
<u>NET ASSETS AVAILABLE FOR BENEFITS</u>	<u>\$ 95,987,277</u>	<u>\$ 89,360,788</u>

WESTERN STATES INCOME SECURITY FUND
SCHEDULES OF INVESTMENTS

	<u>December 31, 2010</u>		<u>December 31, 2009</u>	
	<u>Fair Value</u>	<u>Carry Value</u>	<u>Fair Value</u>	<u>Carry Value</u>
<u>INVESTMENTS</u>				
Mutual Funds	\$ 37,466,574	\$ 34,577,955	\$ 34,648,711	\$ 35,435,253
Core Blend:				
Mutual Funds	27,417,884	18,496,097	25,119,118	19,712,407
Guaranteed Interest Account	15,830,123	14,786,630	14,131,329	13,534,849
Guaranteed Interest Account	16,828,446	15,719,146	16,499,308	15,802,785
<u>TOTAL - INVESTMENTS</u>	<u>\$ 97,543,027</u>	<u>\$ 83,579,828</u>	<u>\$ 90,398,466</u>	<u>\$ 84,485,294</u>

WESTERN STATES INCOME SECURITY FUND
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	January 1, 2010 to December 31, 2010	January 1, 2009 to December 31, 2009
<u>NET INVESTMENT INCOME</u>	\$ 8,962,498	\$ 15,820,308
Contributions	\$ 2,676,133	\$ 2,798,924
Less - Benefits Paid to Participants	<u>4,479,677</u>	<u>5,159,944</u>
<u>(DEFICIT) OF CONTRIBUTIONS OVER BENEFITS</u>	<u>(1,803,544)</u>	<u>(2,361,020)</u>
	\$ 7,158,954	\$ 13,459,288
<u>EXPENSES</u>		
Administration Expenses	\$ 305,612	\$ 265,200
Legal Fees	90,757	77,222
Printing and Office Supplies	4,184	3,468
Postage	951	4,990
Audit Fees	27,940	20,000
Payroll Audit Fees	30,974	21,269
Insurance	36,848	38,962
Meetings, Seminars and Conferences	17,712	18,948
Bank fees	11,327	7,573
Miscellaneous Expenses	<u>6,160</u>	<u>3,939</u>
<u>TOTAL EXPENSES</u>	<u>532,465</u>	<u>461,571</u>
<u>NET INCREASE FOR THE YEAR</u>	\$ 6,626,489	\$ 12,997,717
<u>NET ASSETS AVAILABLE FOR BENEFITS</u>		
Beginning of the Year	<u>89,360,788</u>	<u>76,363,071</u>
End of the Year	<u>\$ 95,987,277</u>	<u>\$ 89,360,788</u>

WESTERN STATES INCOME SECURITY FUND
SCHEDULES OF NET INVESTMENT INCOME

	January 1, 2010 to December 31, 2010	January 1, 2009 to December 31, 2009
<u>SECURITIES INCOME</u>		
Investment Income	\$ 675,734	\$ 624,897
Plan Reimbursement - MassMutual	275,884	256,966
Net Realized Gain (Loss) on Sale of Investments	\$ 52,392	\$ (6,437,116)
Net Unrealized Appreciation in Fair Value of Investments	<u>8,050,027</u>	<u>21,458,355</u>
Net Realized and Unrealized Appreciation in Fair Value of Investments	<u>8,102,419</u>	<u>15,021,239</u>
<u>TOTAL INVESTMENT INCOME BEFORE INVESTMENT EXPENSES</u>	\$ 9,054,037	\$ 15,903,102
<u>INVESTMENT EXPENSES</u>		
Investment Consultant	<u>\$ 91,539</u>	<u>\$ 82,794</u>
<u>TOTAL INVESTMENT EXPENSES</u>	<u>91,539</u>	<u>82,794</u>
<u>NET INVESTMENT INCOME</u>	<u>\$ 8,962,498</u>	<u>\$ 15,820,308</u>

WESTERN STATES INCOME SECURITY FUND
SCHEDULES OF NET REALIZED AND UNREALIZED APPRECIATION (DEPRECIATION)
IN FAIR VALUE OF INVESTMENTS

	January 1, 2010 to December 31, 2010		
	Realized	Unrealized	Total
<u>INVESTMENTS AT FAIR VALUE AS DETERMINED</u> <u>BY QUOTED MARKET PRICE</u>			
Mutual Funds	\$ 52,392	\$ 7,190,237	\$ 7,242,629
<u>INVESTMENTS AT FAIR VALUE AS DETERMINED</u> <u>BY THE INSURANCE COMPANY</u>			
Guaranteed Interest Account	-	859,790	859,790
<u>TOTALS</u>	<u>\$ 52,392</u>	<u>\$ 8,050,027</u>	<u>\$ 8,102,419</u>

	January 1, 2009 to December 31, 2009		
	Realized	Unrealized	Total
<u>INVESTMENTS AT FAIR VALUE AS DETERMINED</u> <u>BY QUOTED MARKET PRICE</u>			
Mutual Funds	\$ (6,437,116)	\$ 18,742,145	\$ 12,305,029
<u>INVESTMENTS AT FAIR VALUE AS DETERMINED</u> <u>BY THE INSURANCE COMPANY</u>			
Guaranteed Interest Account	-	2,716,210	2,716,210
<u>TOTALS</u>	<u>\$ (6,437,116)</u>	<u>\$ 21,458,355</u>	<u>\$ 15,021,239</u>

WESTERN STATES INCOME SECURITY FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 - DESCRIPTION OF THE PLAN

Western States Income Security Fund (the "Plan") was established September 8, 1972, and is maintained in accordance with collective bargaining agreements negotiated between various employers and the Graphic Communications Union District Council No. 2. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan consisted of two Plans until September 30, 1994:

- A. The Western States Income Security Retirement Plan (Retirement Plan) is a defined contribution pension plan, which provides benefits to participants for retirement, death or disability.
- B. The Western States Income Security Group Insurance Plan (Insurance Plan) was an employee welfare benefit plan, which provided a \$20,000 death benefit to beneficiaries of participants.

Effective September 30, 1994, the Board of Trustees terminated the Insurance Plan.

Retirement benefits are provided directly from the Retirement Plan's assets, which are accumulated and invested in accordance with the Western States Income Security Fund Pension Trust Agreement.

THE PLAN DOCUMENTS INCLUDE DETAILED RULES FOR EACH SITUATION. PARTICIPANTS SHOULD REFER TO THE PLAN AGREEMENT AND ANY AMENDMENTS REGARDING SPECIFIC PROVISIONS OF THE PLAN.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accounts of the Plan are prepared on the accrual basis of accounting. The use of the accrual basis properly recognizes revenue when earned or otherwise available and benefits and expenses are recognized when incurred.

As described in Accounting Standards Codification (ASC) 962 *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies subject to the AICPA Investment Company Guide and Defined Contribution Health and Welfare and Pension Plans (the FSP)*, investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute to fully benefit-responsive investment contracts because contract value is the amount participants would receive when initiating transactions under the terms of the Plan. As required by ASC 962, the statements of net assets available for benefits presents the fair value of investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair to contract value.

B. Estimates

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

WESTERN STATES INCOME SECURITY FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Employer Contributions

Employer contributions are reported on the accrual basis. Employer contributions as reported are contributions made by employers on behalf of employees for the hours worked during the year. Allowance for estimated uncollectible accounts is considered unnecessary and is not provided.

D. Employer Payroll Audit Program

Employer remittance reports were accepted as submitted, without examination or verification of employers' payroll records. Effective December 2, 1992, the Board of Trustees approved a payroll audit program whereby the Plan's Certified Public Accountants examine employers' payroll records on a regular basis.

E. Investment Valuation and Income Recognition

Investments are carried at fair value which is determined, presented and disclosed in accordance with Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, issued by the Financial Accounting Standards Board (FASB). Under ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price"), in an orderly transactions between market participants at the measurement date.

ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximized the use of observable inputs and minimized the use of unobservable inputs by requiring that the most observable input be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources, independent of the Plan. Unobservable inputs reflect the Plan's assumptions about inputs market participants would use in pricing the investments developed, based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels, based on the inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access.

Level 2 – Valuations based on quoted prices in markets that are not active, quoted prices for similar investments in active markets or model-based valuations for which all significant assumptions are observable and can be corroborated by observable market data.

Level 3 – Valuations based on unobservable inputs that are supported by little or no market activity and are significant to the overall fair value measurement. Values are determined using proprietary pricing models, discounted cash flow models that include the investment entities' own judgments and estimations or some other pricing method using unobservable inputs.

The following tables summarize the Plan's investments at December 31, 2010 and 2009 based on the inputs used to value them:

WESTERN STATES INCOME SECURITY FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Investment Valuation and Income Recognition (Continued)

	2010			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Age Based	\$ 8,146,068	\$ -	\$ -	\$ 8,146,068
International	2,764,869	-	-	2,764,869
Small and Midcap	3,261,068	-	-	3,261,068
Value	1,595,257	-	-	1,595,257
Bond	3,639,631	-	-	3,639,631
Cash	5	-	-	5
Index	9,916,746	-	-	9,916,746
Balanced	7,046,694	-	-	7,046,694
Growth	1,096,236	-	-	1,096,236
Core Blend Mutual Funds:				
International	6,342,482	-	-	6,342,482
Small and Midcap	6,714,462	-	-	6,714,462
Value	5,056,751	-	-	5,056,751
Bond	4,253,440	-	-	4,253,440
Growth	5,050,749	-	-	5,050,749
Core Blend Guaranteed Interest Account	-	-	15,830,123	15,830,123
Guaranteed Interest Account	-	-	16,828,446	16,828,446
	<u>\$ 64,884,458</u>	<u>\$ -</u>	<u>\$ 32,658,569</u>	<u>\$ 97,543,027</u>
	2009			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Age Based	\$ 7,632,172	\$ -	\$ -	\$ 7,632,172
International	2,784,648	-	-	2,784,648
Small and Midcap	2,595,425	-	-	2,595,425
Value	1,426,472	-	-	1,426,472
Bond	3,418,407	-	-	3,418,407
Cash	4	-	-	4
Index	8,994,338	-	-	8,994,338
Balanced	6,751,353	-	-	6,751,353
Growth	1,045,892	-	-	1,045,892
Core Blend Mutual Funds:				
International	5,902,896	-	-	5,902,896
Small and Midcap	3,829,710	-	-	3,829,710
Value	5,745,788	-	-	5,745,788
Bond	3,876,425	-	-	3,876,425
Growth	5,764,299	-	-	5,764,299
Core Blend Guaranteed Interest Account	-	-	14,131,329	14,131,329
Guaranteed Interest Account	-	-	16,499,308	16,499,308
	<u>\$ 59,767,829</u>	<u>\$ -</u>	<u>\$ 30,630,637</u>	<u>\$ 90,398,466</u>

WESTERN STATES INCOME SECURITY FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Investment Valuation and Income Recognition (Continued)

	<u>2010</u>	<u>2009</u>
Beginning Balance	\$ 30,630,637	\$ 25,794,386
Total Gains or Losses (Realized/Unrealized)		
Included in Changes in Net Assets	859,790	2,716,211
Net Purchases (Sales)	1,168,142	-
Transfer In and/or Out of Level 3	<u>-</u>	<u>2,120,040</u>
Ending Balance	<u>\$ 32,658,569</u>	<u>\$ 30,630,637</u>

Level 1 investments consist of mutual funds which are traded on an active exchange and valued at quoted market prices on the last trading day of the year. Level 3 investments consist of Massachusetts Mutual Life Insurance Company (MassMutual) general investment accounts (GIA) provided through a group annuity contract. Contract value represents contributions plus credited interest, less participant withdrawals and fees. Fair value is determined by MassMutual and represents the estimated liquidation value determined within the contract specification using a market value formula. MassMutual considers the investment fully benefit responsive. The average yield and interest crediting rates were approximately 2.69% for 2010 and 2.81% for 2009.

The Core Blend is an investment option of the Plan. The Core Blend investment option consists of seven publicly traded mutual funds and the MassMutual GIA (approximately 65% and 35% of the option, respectively). The mutual fund and GIA portion of Core Blend option is valued as described above.

Purchases and sales of securities are recorded on the trade date basis. Dividends are recorded on the ex-dividend date and interest income is recorded on the accrual basis. Form 5500 requires realized gains and losses to be reported as the difference between proceeds from the sale or redemption of investments and the current (market) value of the investment at the beginning of the year, for those investments on hand at the beginning of the year, or the purchase price of investments acquired during the year. The different methods of computing realized gain or loss and the residual unrealized appreciation (depreciation) in fair value of investments results in differences in reporting on the financial statements and Form 5500.

F. Benefits

Benefits are recorded when paid.

G. Other Income and Expenses

Other income and expenses are reflected on the accrual basis, except for nominal amounts of recurring monthly expenses.

H. Tax-Exempt Status

No provision for Federal or state income tax is made. The Plan has received tax-exempt status from the Federal government and the State of California. Tax-exempt status had been granted effective December 4, 1987 and regranted on May 5, 1993, February 6, 1997 and November 6,

WESTERN STATES INCOME SECURITY FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Tax-Exempt Status (Continued)

2003. The Plan has since been amended and an application for determination is pending. The Plan administrator and the Plan's counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

The Plan has adopted guidance on accounting for uncertainty in income taxes issued by the Financial Accounting Standards Board. The Plan administrator believes that the Plan has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. Certain information returns for the Plan are subject to examination by authorities.

I. Reclassifications

Certain information reported in the 2009 financial statements has been reclassified to conform to the 2010 presentation.

NOTE 3 - GENERAL INFORMATION AND NOTES

- A. Inception Date - September 8, 1972
- B. Trustees - Trustees serve without compensation.
- C. Fidelity Bond - Travelers Insurance Company
July 1, 2007 to June 30, 2013
Coverage of \$500,000

D. Contributions to the Plan

Under the terms of the Collective Bargaining Agreement, employers contributed to the Plan based upon hourly, shift and monthly contribution rates. In addition to the initial mandatory contribution, there are additional classifications under the agreement pursuant to which additional employer contributions are made to the Plan.

E. Administration

The administration of the Plan is performed by Northwest Administrators, Inc. Prior to January 1, 2010, administration of the Plan was performed by Associated Third Party Administrators, Inc.

NOTE 4 - PRIORITIES OF PLAN TERMINATION

Upon the termination or partial termination of the Plan, the rights of all affected participants in and to the amounts credited to each participant's account shall be distributed in accordance with the Plan.

NOTE 5 - ADMINISTRATIVE EXPENSES

MassMutual Financial Group provides bundled services for the Plan and State Street Bank & Trust provides corporate co-trustee services. State Street Bank & Trust retains interest earned on balances or "float" as compensation. MassMutual Financial Group retains 12b-1 fees and reimburses the Plan out of MassMutual's revenues for plan administration fees equal to 0.31% of the Plan assets held by MassMutual (annualized).

WESTERN STATES INCOME SECURITY FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 5 - ADMINISTRATIVE EXPENSES (Continued)

The Board of Trustees have the Plan's administrative expenses paid equally out of the accounts of all participants in the Plan. Effective January 1, 2009, a monthly administrative charge of \$2.75 per month, per account was charged, with any annual surplus or deficit allocated against investment income. Effective January 1, 2010, an annual participant account fee of \$25 was approved by the Trustees.

NOTE 6 - 5% INVESTMENTS

The following investments represent 5% or more of the Plan's net assets available for benefits as of December 31, 2010 and 2009:

Description	2010	2009
American Funds EuroPacific Growth Fund	\$ 8,682,308	\$ 8,165,539
Oppenheimer Value Fund	6,652,008	7,172,260
Oppenheimer Capital Appreciation Fund	-	6,810,191
MFS Growth Fund	6,146,985	-
Dodge & Cox Balanced Fund	7,046,694	6,751,353
Northern Trust Select Indexed Equity Fund	9,916,746	8,994,338
T. Rowe Price Retirement 2030 Fund	5,807,166	4,928,718
MassMutual Guaranteed Interest Account	32,658,569	30,630,637

NOTE 7 - PLAN AMENDMENTS

The Plan was amended and restated effective December 31, 2009 to meet the applicable requirements of various statutes laws, regulations rulings and other guidance. The restatement incorporated all plan amendments through January 1, 2010.

On January 14, 2010, the Plan was amended to clarify Plan language with respect to a Plan benefit option.

On September 28, 2010, the Plan was amended to clarify Plan language with respect to distribution of accounts of \$5,000 or less.

NOTE 8 - RISKS AND UNCERTAINTIES

The Plan invests in mutual funds and insurance company guaranteed interest accounts that are exposed to various risks such as interest rate, market fluctuations and credit. Due to the level of risk associated with certain investments and the level of uncertainty with respect to the changes in the value of investments, it is reasonably possible that changes in risks in the near term would materially affect the amounts reported in the financial statements.

NOTE 9 - RELATED PARTY TRANSACTIONS

Certain Plan investments are managed by MassMutual. Any purchases and sales of these investments while considered party-in-interest transactions under ERISA regulations are permitted under the provisions of the Plan and are specifically exempt from the prohibitions of party-in-interest transactions under ERISA.

WESTERN STATES INCOME SECURITY FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 10 - RECONCILIATION OF FINANCIAL STATEMENTS TO THE FORM 5500

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

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Investment Contracts Per the Financial Statements - at Fair Value:		
GIA	\$ 16,828,446	\$ 14,131,329
Core Blend - GIA	15,830,123	16,499,308
Adjustment from Fair Value to Contract Value For Interest in Guaranteed Interest Account Relating to Fully Benefit-Responsive Investment Contract	<u>(2,152,793)</u>	<u>(1,293,003)</u>
Investment Contract Per the Form 5500 - at Contract Value	<u>\$ 30,505,776</u>	<u>\$ 29,337,634</u>

NOTE 11 - SUBSEQUENT EVENTS

Plan management has evaluated subsequent events through October 5, 2011, the date on which the financial statements were available to be issued. The Plan was amended in January 2011, to conform Plan language to IRS guidance. Other than the above, there were no material subsequent events that required recognition or additional disclosures in the financial statements.

WESTERN STATES INCOME SECURITY FUND

FORM 5500

SCHEDULE H - PART IV, LINE 4i

E.I.N. 94-2173003; PLAN NO. 001

SUPPLEMENTAL SCHEDULE REQUIRED
BY THE DEPARTMENT OF LABOR

MANNON KAPLAN, CPA
GEORGE NADEL RIVIN, CPA
EDWIN KANEMARU, CPA
KENNETH R. HOLMER, CPA
DOUGLAS S. WAITE, CPA
CHARLES SCHNAID, CPA
DONALD G. GARRETT, CPA
CATHERINE C. GARDNER, CPA
JEFFREY L. GOSS, CPA
RICHARD DEFONZO, JD
JOANNA BOLSKY, CPA
RONALD D. CHANDLER, CPA
MICHAEL G. KAPLAN, CPA
MICHAEL J. QUACKENBUSH, CPA
EDMOND AVANESS, CPA
CRANE CURRAN, CPA
BRIAN J. HARRIS, CPA
GREGORY E. KLEIN, CPA
LINDA BECKER, MBA
ANDREW B. KOSKI, MBA
GRANT K. MILLER, CPA

STANLEY L. MILLER, CPA (1921-1995)
PAUL ARASE, CPA (RETIRED)



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Independent Auditors' Report on Supplemental
Schedule Required by the Department of Labor

Board of Trustees
Western States Income Security Fund
2323 Eastlake Avenue East
Seattle, Washington 98102-3305

Members of the Board:

Our audits were performed for the purpose of forming an opinion of the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Miller, Kaplan, Arase & Co., LLP

MILLER, KAPLAN, ARASE & CO., LLP

October 5, 2011

WESTERN STATES INCOME SECURITY FUND

FORM 5500

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

E.I.N. 94-2173003; PLAN NO. 001

DECEMBER 31, 2010

(a)	No. of Shares	Mutual Funds	Fair Value	Carry Value
*	156,103	Core Blend - American Funds EuroPacific Fund	\$ 6,342,482	\$ 4,580,677
*	231,642	Core Blend - Oppenheimer Value	5,056,751	2,908,691
*	241,922	Core Blend - Babson Premier High Yield Fund	2,114,399	1,611,512
*	326,073	Core Blend - Oppenheimer International Bond Fund	2,139,041	1,556,325
*	213,069	Core Blend - Alger SMid Cap Growth Fund	3,360,091	2,165,399
*	124,189	Core Blend - MFS Growth Fund	5,050,749	3,365,343
*	372,708	Core Blend - American Century Small Cap Value Fund	3,354,371	2,308,149
			<u>27,417,884</u>	<u>18,496,096</u>
*	57,589	American Funds EuroPacific Growth Fund	2,339,826	2,210,495
*	44,302	American Century Small Cap Value Fund	398,717	356,227
*	35,418	CRM Mid Cap Value Fund	999,856	940,705
*	100,352	Dodge & Cox Balanced Fund	7,046,694	7,783,467
*	26,954	MFS Growth Fund	1,096,236	992,760
*	-	Holding Account	5	-
*	19,515	Lazard Emerging Markets Fund	425,043	351,134
*	10,067	Oppenheimer International Bond Fund	66,040	66,625
*	306,707	Babson Premiere Diversified Bond Fund	3,220,425	3,194,708
*	40,408	Babson Premiere High Yield Bond Fund	353,166	350,087
*	73,076	Oppenheimer Value Fund	1,595,257	1,620,986
*	860,829	Northern Trust Select Indexed Equity Fund	9,916,746	9,134,750
*	9,530	T. Rowe Price Retirement 2010 Fund	144,947	136,883
*	23,340	T. Rowe Price Retirement 2020 Fund	379,269	327,889
*	339,600	T. Rowe Price Retirement 2030 Fund	5,807,166	4,092,400
*	7,428	T. Rowe Price Retirement 2040 Fund	128,135	89,943
*	128,646	T. Rowe Price Retirement Income Fund	1,686,551	1,373,115
*	88,388	T. Rowe Price Select Mid Cap Growth Equity Fund	1,322,287	1,109,032
*	16,130	T. Rowe Price New Horizons Small Fund	540,208	446,749
			<u>37,466,574</u>	<u>34,577,955</u>
		<u>TOTALS - MUTUAL FUNDS</u>	<u>\$ 64,884,458</u>	<u>\$ 53,074,051</u>
		<u>Insurance Company General Accounts</u>		
*	1,277,506	MassMutual Guaranteed Interest Account	\$ 16,828,446	\$ 15,719,146
*	1,202,665	Core Blend - MassMutual Guaranteed Interest Account	15,830,123	14,786,630
		<u>TOTALS - INSURANCE COMPANY</u>		
		<u>GENERAL ACCOUNTS</u>	<u>\$ 32,658,569</u>	<u>\$ 30,505,776</u>
		<u>Short Term Funds</u>		
	357,799	Wells Fargo Advantage Treasury Plus Fund	\$ 357,799	\$ 357,799

* MassMutual is considered a party-in-interest as defined by ERISA.

WESTERN STATES INCOME SECURITY FUND

FORM 5500

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

E.I.N. 94-2173003; PLAN NO. 001

DECEMBER 31, 2010

(a)	No. of Shares	Mutual Funds	Fair Value	Carry Value
*	156,103	Core Blend - American Funds EuroPacific Fund	\$ 6,342,482	\$ 4,580,677
*	231,642	Core Blend - Oppenheimer Value	5,056,751	2,908,691
*	241,922	Core Blend - Babson Premier High Yield Fund	2,114,399	1,611,512
*	326,073	Core Blend - Oppenheimer International Bond Fund	2,139,041	1,556,325
*	213,069	Core Blend - Alger SMid Cap Growth Fund	3,360,091	2,165,399
*	124,189	Core Blend - MFS Growth Fund	5,050,749	3,365,343
*	372,708	Core Blend - American Century Small Cap Value Fund	3,354,371	2,308,149
			<u>27,417,884</u>	<u>18,496,096</u>
*	57,589	American Funds EuroPacific Growth Fund	2,339,826	2,210,495
*	44,302	American Century Small Cap Value Fund	398,717	356,227
*	35,418	CRM Mid Cap Value Fund	999,856	940,705
*	100,352	Dodge & Cox Balanced Fund	7,046,694	7,783,467
*	26,954	MFS Growth Fund	1,096,236	992,760
*	-	Holding Account	5	-
*	19,515	Lazard Emerging Markets Fund	425,043	351,134
*	10,067	Oppenheimer International Bond Fund	66,040	66,625
*	306,707	Babson Premiere Diversified Bond Fund	3,220,425	3,194,708
*	40,408	Babson Premiere High Yield Bond Fund	353,166	350,087
*	73,076	Oppenheimer Value Fund	1,595,257	1,620,986
*	860,829	Northern Trust Select Indexed Equity Fund	9,916,746	9,134,750
*	9,530	T. Rowe Price Retirement 2010 Fund	144,947	136,883
*	23,340	T. Rowe Price Retirement 2020 Fund	379,269	327,889
*	339,600	T. Rowe Price Retirement 2030 Fund	5,807,166	4,092,400
*	7,428	T. Rowe Price Retirement 2040 Fund	128,135	89,943
*	128,646	T. Rowe Price Retirement Income Fund	1,686,551	1,373,115
*	88,388	T. Rowe Price Select Mid Cap Growth Equity Fund	1,322,287	1,109,032
*	16,130	T. Rowe Price New Horizons Small Fund	540,208	446,749
			<u>37,466,574</u>	<u>34,577,955</u>
		<u>TOTALS - MUTUAL FUNDS</u>	<u>\$ 64,884,458</u>	<u>\$ 53,074,051</u>
		<u>Insurance Company General Accounts</u>		
*	1,277,506	MassMutual Guaranteed Interest Account	\$ 16,828,446	\$ 15,719,146
*	1,202,665	Core Blend - MassMutual Guaranteed Interest Account	15,830,123	14,786,630
		<u>TOTALS - INSURANCE COMPANY</u>		
		<u>GENERAL ACCOUNTS</u>	<u>\$ 32,658,569</u>	<u>\$ 30,505,776</u>
		<u>Short Term Funds</u>		
	357,799	Wells Fargo Advantage Treasury Plus Fund	<u>\$ 357,799</u>	<u>\$ 357,799</u>

* MassMutual is considered a party-in-interest as defined by ERISA.

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 <div style="font-size: 24pt; font-weight: bold; text-align: center;">2010</div> This Form is Open to Public Inspection
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Part I Annual Report Identification Information	
For calendar plan year 2010 or fiscal plan year beginning _____ and ending _____	
A This return/report is for:	☒ a multiemployer plan; ☐ a multiple-employer plan; or ☐ a single-employer plan; ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description) _____

Part II Basic Plan Information - enter all requested information	
1a Name of plan WESTERN STATES INCOME SECURITY RETIREMENT PLAN	1b Three-digit plan number (PN) ► 001 1c Effective date of plan 09/08/1972
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) BOARD OF TRUSTEES, WESTERN STATES INCOME SECURITY FUND 2323 EASTLAKE AVENUE EAST SEATTLE WA 98102-3305	2b Employer Identification Number (EIN) 94-2173003 2c Sponsor's telephone number 206-329-4900 2d Business code (see instructions) 323100

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		Date 10/12/11	Enter name of individual signing as plan administrator Stephen E. Northrup
SIGN HERE		Date 10-12-11	Enter name of individual signing as employer or plan sponsor Thomas Sarnecki
SIGN HERE		Date	Enter name of individual signing as DFE

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

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") BOARD OF TRUSTEES, WESTERN STATES INCOME SECURITY FUND 2323 EASTLAKE AVENUE EAST SEATTLE, WA 98102-3305	3b Administrator's EIN 94-2173003 3c Administrator's telephone number 206-329-4900
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	7037
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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	1588
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	5232
d Subtotal. Add lines 6a , 6b , and 6c	6d	6820
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	6820
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	7161
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	63

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2C 2F 2G 2K

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

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

a Pension Schedules

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

b General Schedules

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