

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>TRI-STATE 401(K) SAVINGS PLAN</u> 2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>TRI-STATE EMPLOYMENT SERVICES, INC.</u> <u>160 BROADWAY</u> <u>SUITE 160</u> <u>NEW YORK, NY 10038</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>333</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1999</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>13-3703106</u></td> </tr> <tr> <td colspan="2">2c Sponsor's telephone number <u>212-406-2740</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>551112</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>333</u>	1c Effective date of plan <u>01/01/1999</u>		2b Employer Identification Number (EIN) <u>13-3703106</u>		2c Sponsor's telephone number <u>212-406-2740</u>		2d Business code (see instructions) <u>551112</u>	
1b Three-digit plan number (PN) ▶	<u>333</u>										
1c Effective date of plan <u>01/01/1999</u>											
2b Employer Identification Number (EIN) <u>13-3703106</u>											
2c Sponsor's telephone number <u>212-406-2740</u>											
2d Business code (see instructions) <u>551112</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	Filed with authorized/valid electronic signature.	10/14/2011	ROBERT CASSERA
	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") TRI-STATE EMPLOYMENT SERVICES, INC. 160 BROADWAY SUITE 160 NEW YORK, NY 10038	3b Administrator's EIN 13-3703106 3c Administrator's telephone number 212-406-2740
---	---

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	4706
---	----------	------

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	5435
b Retired or separated participants receiving benefits.....	6b	5
c Other retired or separated participants entitled to future benefits.....	6c	133
d Subtotal. Add lines 6a , 6b , and 6c	6d	5573
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	5573
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	458
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	2

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
--	----------	--

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

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

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider 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 TRI-STATE 401(K) SAVINGS PLAN	B Three-digit plan number (PN) ▶ 333
C Plan sponsor's name as shown on line 2a of Form 5500 TRI-STATE EMPLOYMENT SERVICES, INC.	D Employer Identification Number (EIN) 13-3703106

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

(b) Enter name and EIN or address of person who provided you disclosure 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

(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

(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)

CAPITAL RETIREMENT PLAN SERVICES

59-3092339

(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 15 19 25 37 38 50	NONE	78933	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

LPL FINANCIAL CORPORATION

95-2834236

(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?
26 50	NONE	16550	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(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 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 TRI-STATE 401(K) SAVINGS PLAN	B Three-digit plan number (PN) ►	333
C Plan sponsor's name as shown on line 2a of Form 5500 TRI-STATE EMPLOYMENT SERVICES, INC.	D Employer Identification Number (EIN) 13-3703106	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)		23242
	(2) Participant contributions	1b(2)		17349
	(3) Other	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		107262
	(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)	174008	130964
	(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)	7188800	7404845
	(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
	(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	7362808	7683662

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		718
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	718

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	7362808	7682944
---	-----------	---------	---------

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)	125076	
(B) Participants	2a(1)(B)	1031348	
(C) Others (including rollovers)	2a(1)(C)	134361	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1290785

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	39	
(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)	5724	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		5763

(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)	175178	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		175178

(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)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(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)		861016
c Other income.....	2c		3238
d Total income. Add all income amounts in column (b) and enter total.....	2d		2335980

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1232839	
(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)		1232839
f Corrective distributions (see instructions)	2f		220499
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	5416	
(2) Contract administrator fees	2i(2)	79129	
(3) Investment advisory and management fees	2i(3)	19410	
(4) Other	2i(4)	113	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		104068
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1557406

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		778574
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		458438

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: KOSOFF & KOSOFF, LLP

(2) EIN: 13-3238450

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.	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)
EEMPLOYER SOLUTIONS, INC. MULTIPLE EMPLOYER PLAN	74-2884279	333
ADP TOTALSOURCE RETIREMENT SAVINGS PLAN	59-2452823	001

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 <u>TRI-STATE 401(K) SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>333</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>TRI-STATE EMPLOYMENT SERVICES, INC.</u>	D Employer Identification Number (EIN) <u>13-3703106</u>

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	<u>0</u>
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): <u>20-0937408</u>		
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 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

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):

TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN

REPORT ON AUDIT OF FINANCIAL STATEMENTS

DECEMBER 31, 2010

Lilling & Company LLP

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
Tri-State Employment Service, Inc. 401 (k) Savings Plan
New York, New York

We were engaged to audit the accompanying statements of net assets available for benefits of Tri-State Employment Service, Inc. 401 (k) Savings Plan as of December 31, 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2010 and the supplemental schedules of assets held for investment purposes and delinquent participant contributions as of and for the year ended December 31, 2010. These financial statements and schedules are the responsibility of the Plan's management. The financial statements of the Plan as of December 31, 2009 were audited by other auditors. 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 the other auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by The Hartford Retirement Plans Group, the trustee of the Plan. Their report, dated October 12, 2010, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not, express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the trustee, were 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.

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 The Hartford Retirement Plans Group and TD Ameritrade Trust Company, the trustees of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that TD Ameritrade Trust Company held the Plan's investment assets and executed investment transactions from January 19, 2010 to December 31, 2010, and that The Hartford Retirement Plans Group held the Plan's investment assets and executed investment transactions for the period January 1, 2010 to January 18, 2010. The plan administrator has obtained certifications from the trustees as of and for the year ended December 31, 2010, that the information provided to the plan administrator by the trustees is complete and accurate.

The Plan's records and procedures are not adequate to assure the completeness of participants' data on which contributions and benefit payments are determined.

Because of the significance of the information in the Plan's 2010 financial statements and schedules that we did not audit, we are unable to, and do not, express an opinion on the accompanying 2010 financial statements and schedules taken as a whole. The form and content of the information included in the 2010 financial statements and schedules, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

A handwritten signature in cursive script that reads "Silling & Company". The signature is fluid and stylized, with the ampersand being particularly prominent.

CERTIFIED PUBLIC ACCOUNTANTS
Great Neck, New York

October 12, 2011

TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31,

	<u>2010</u>	<u>2009</u>
ASSETS		
<i>Investments, at fair value</i>	<u>\$ 7,512,107</u>	<u>\$ 7,188,800</u>
<i>Receivables</i>		
Participant loans	130,964	174,008
Employer contributions	23,242	-
Employee contributions	17,349	-
	<u>171,555</u>	<u>174,008</u>
TOTAL ASSETS	7,683,662	7,362,808
LIABILITIES		
<i>Other liabilities</i>	<u>718</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 7,682,944</u></u>	<u><u>\$ 7,362,808</u></u>

See notes to financial statements

TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN

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

ADDITIONS TO NET ASSETS ATTRIBUTED TO

Investment Income

Net change in fair value of investments	\$ 861,016
Interest and dividends	184,179
	<u>1,045,195</u>

Contributions

Participants' contributions	1,165,709
Employer contributions	125,076
	<u>1,290,785</u>

<i>TOTAL ADDITIONS</i>	<u>2,335,980</u>
-------------------------------	------------------

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO

Benefits paid to participants	1,453,338
Administrative expenses	104,068

<i>TOTAL DEDUCTIONS</i>	<u>1,557,406</u>
--------------------------------	------------------

<i>NET CHANGE</i>	778,574
--------------------------	---------

<i>TRANSFER TO OTHER PLAN</i>	(458,438)
--------------------------------------	-----------

NET ASSETS AVAILABLE FOR BENEFITS

<i>-BEGINNING OF YEAR</i>	<u>7,362,808</u>
----------------------------------	------------------

<i>-END OF YEAR</i>	<u><u>\$ 7,682,944</u></u>
----------------------------	----------------------------

See notes to financial statements

TRI-STATE EMPLOYMENT SERVICE, INC. 401(K) SAVINGS PLAN

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

1. DESCRIPTION OF PLAN

The following description of the Tri-State Employment Service, Inc. 401 (k) Savings Plan ("Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan under Internal Revenue Service Code Section ("Code Section") 401(k) effective January 1, 1999.

The Plan covers all full-time employees of Tri-State Employment Service, Inc. ("Company") upon completing the age and service requirements selected by the Company in the Adoption Agreement. Tri-State Employment Service, Inc. is a professional employer organization. The Company's clients and employees are covered in the plan.

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

The Plan's records and procedures are not adequate to assure the completeness of participant's data on which contributions and benefit payments are determined. The Plan Administrator is currently taking steps to document participant information as required.

Contributions

Each year, participants may elect to contribute up to the dollar amounts specified in IRC Section 402(g), as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan as follows:

- A) Each Employer, in its discretion, may contribute to the Trust a discretionary matching contribution on behalf of each Participant for whom an elective contribution is made during the Plan Year.
- B) Such matching contribution shall be equal to a discretionary percentage of the amount of the elective contribution made to the Plan by the Participant. The discretionary percentage of the matching contribution shall be determined by the Employer.
- C) No matching contribution shall be made with respect to a Participant's

TRI-STATE EMPLOYMENT SERVICE, INC. 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

elective contribution that exceeds the percentage of Compensation specified in the Adoption Agreement.

Vesting

Participants are vested immediately in their contribution plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. A participant is 100 percent vested after six years of credited service.

Hardship Withdrawals

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

Participant Accounts

Each participant's account is credited with the participant's and employer's contribution and allocations of Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings, or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Participant Loans

In accordance with loan policy that may be adopted by the Plan Administrator, the Plan Administrator, in accordance with such uniform nondiscriminatory policy, may direct the Trustee to make a loan to a participant from his accounts. Effective for participant loans made on or after December 31, 2001, the rules prohibiting loans to owner-employees and shareholder-employees shall no longer apply. Participants' loans are value at amortized cost, which approximates fair value.

Payment of Benefits

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

TRI-STATE EMPLOYMENT SERVICE, INC. 401(K) SAVINGS PLAN

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

2. SUMMARY OF ACCOUNTING POLICIES

Accounting Standards Codification

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

Basis of Accounting

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

Investment Valuation and Income Recognition

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

Use of Estimates

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

TRI-STATE EMPLOYMENT SERVICE, INC. 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

3. INVESTMENTS

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

Investments, at fair value:	<u>2010</u>	<u>2009</u>
PIMCO Total Return	\$ -	\$ 609,380
Lifepath Retirement	-	461,661
Lifepath 2020	-	426,587
Oppenheimer Global	-	407,464
SEI Stable Asset	-	400,749
Vanguard Target Retirement 2015	935,930	-
Vanguard Target Retirement 2030	741,666	-
Vanguard Target Retirement 2045	718,470	-
Vanguard Target Retirement 2020	653,708	-
Pimco Total Return Fund Class A	641,750	-
Other (less than 5%)	<u>3,820,583</u>	<u>4,882,959</u>
	<u>\$ 7,512,107</u>	<u>\$ 7,188,800</u>

During 2010 the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$861,016, all of which were from mutual funds.

4. INFORMATION PREPARED AND CERTIFIED BY TRUSTEES

The following information included in the accompanying financial statements and supplemental schedules as of and for the years ended December 31, 2010 and 2009 was obtained from data that has been prepared and certified to as complete and accurate by the Plan's trustees, TD Ameritrade Trust Company and The Hartford Retirement Plans Group.

Investments, at fair value:	<u>2010</u>	<u>2009</u>
Mutual Funds	\$ 7,512,107	\$ 7,188,800
Net change in fair value of investments	861,016	1,411,911
Interest and dividends	184,179	7,005

TRI-STATE EMPLOYMENT SERVICE, INC. 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

5. PLAN TERMINATION

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

6. TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated April 13, 2009, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

7. RELATED PARTY TRANSACTIONS

Certain Plan investments are mutual funds and other investments managed by TD Ameritrade Trust Company and The Hartford Retirement Plans Group. TD Ameritrade Trust Company and The Hartford Retirement Plans Group are the trustees as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Administrative expenses of the Plan are the responsibility of the Company.

Participant contributions not transmitted by the Company within the time period set forth in the Department of Labor's regulation CFR 2510.3-102 are considered nonexempt prohibited transactions under ERISA. Participant contributions remitted during the year that constitute nonexempt prohibited transactions are reported by the Plan in the accompanying supplemental schedule as required. The Company also incorrectly calculated remittances due during the year for participants with multiple loans outstanding.

8. RISKS AND UNCERTAINTIES

The Plan invests in various mutual funds. Mutual funds are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

TRI-STATE EMPLOYMENT SERVICE, INC. 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

9. FAIR VALUE MEASUREMENTS

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

December 31, 2010	<u>Fair Value</u>	<u>Level 1</u>
Investments, at fair value:		
Mutual Funds	<u>\$ 7,512,107</u>	<u>\$ 7,512,107</u>
December 31, 2009	<u>Fair Value</u>	<u>Level 1</u>
Investments, at fair value:		
Mutual Funds	<u>\$ 7,188,800</u>	<u>\$ 7,188,800</u>

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

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

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

10. SUBSEQUENT EVENTS

In preparing the accompanying financial statements, the Plan has reviewed events that have occurred after December 31, 2010, through the date of issuance of these financial statements on October 12, 2011.

SUPPLEMENTAL SCHEDULE

TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN

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

(a)	(b)	(c)	(d)	(e)
	<u>Identity of Issue, borrower lessor, or similar party</u>	<u>Description of investment</u>	<u>Cost**</u>	<u>Current value</u>
	Vanguard Target Retirement 2015	75,357 Shares	\$	935,930
	Vanguard Target Retirement 2030	34,210 Shares		741,666
	Vanguard Target Retirement 2045	53,220 Shares		718,470
	Vanguard Target Retirement 2020	29,580 Shares		653,708
	Pimco Total Return Fund Class A	59,147 Shares		641,750
	Vanguard Target Retirement 2025	26,417 Shares		333,385
	Vanguard Target Retirement 2035	24,566 Shares		321,565
	Davis New York Venture Fund	7,840 Shares		269,787
	American Growth Fund of America	8,715 Shares		265,295
	Fidelity Levaraged Co. Stock Fund	8,743 Shares		248,468
	Sei Stable Asset Fund	224,440 Shares		224,440
	Vanguard Target Retirement 2010	9,576 Shares		213,635
	Vanguard Target Retirement 2040	8,847 Shares		190,203
	Blackrock Euro Fund Institutional Class	14,660 Shares		188,531
	Oppenheimer Global Fnd Class A	3,094 Shares		186,761
	Vanguard Total Intl Stock Index	8,911 Shares		140,444
	Vanguard Index Small Cap	3,743 Shares		130,055
	Vanguard Index Trust-500	1,039 Shares		120,387
	Vanguard US Trasury Short Term	10,461 Shares		111,719
	Vanguard Inflation Protected	8,351 Shares		108,566
	Goldman Sachs Small Mid-Cap Growth	6,689 Shares		98,590
	Goldman Sachs Mid Cap Fund Class A	2,671 Shares		95,906
	Vanguard Target Retirement 2050	4,134 Shares		88,450
	Blackrock Small/Mid-Cap Growth	7,192 Shares		88,316
	Goldman Sachs Small Cap Value Fund	2038 Shares		80,476
	American Balanced Fund Class R-6	3,426 Shares		61,436
*	TD Bank Instl. MMDA FTCIMA	56,871 Shares		56,871
	Stratton Small Cap Value Fund	1,111 Shares		55,136
	Vanguard Mid Cap Index Fund	2,679 Shares		54,407
*	TD Bank USA MMDA	50,391 Shares		50,391
	MFS Value Fund Class R4	1,638 Shares		37,363
				<u>\$ 7,512,107</u>

* Denotes a party-in-interest to the Plan

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

See independent auditor's report

TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN

FORM 5500 SCHEDULE H: LINE 4a

SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

YEAR ENDED DECEMBER 31, 2010

Participant Contributions Transferred Late to Plan		Total Fully Corrected under VFCP and PTE 2002-51		
Check here if Late Participant Loan Repayments are included ☒	Total that constitute Nonexempt Prohibited Transactions			
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
1/10/2010	\$ 22,205	\$ 22,205		
1/31/2010	\$ 40,095	\$ 40,095		
2/14/2010	\$ 37,274	\$ 37,274		
3/7/2010	\$ 22,522	\$ 22,522		
3/14/2010	\$ 35,830	\$ 35,830		
7/11/2010	\$ 11,447	\$ 11,447		
8/8/2010	\$ 14,114	\$ 14,114		
8/15/2010	\$ 16,548	\$ 16,548		
8/22/2010	\$ 13,583	\$ 13,583		
8/29/2010	\$ 17,412	\$ 17,412		
9/5/2010	\$ 12,861	\$ 12,861		
9/30/2010	\$ 8,275	\$ 8,275		
10/3/2010	\$ 5,119	\$ 5,119		
10/10/2010	\$ 19,397	\$ 19,397		
10/17/2010	\$ 13,500	\$ 13,500		
10/24/2010	\$ 18,559	\$ 18,559		
11/7/2010	\$ 16,826	\$ 16,826		
11/14/2010	\$ 12,944	\$ 12,944		
12/5/2010	\$ 17,563	\$ 17,563		
12/12/2010	\$ 12,224	\$ 12,224		
12/19/2010	\$ 16,985	\$ 16,985		
	<u>\$ 385,283</u>	<u>\$ 385,283</u>		

See independent auditor's report

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 4085 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. 1510-0110 1510-0089 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 single-employer plan;	☒ a multiple-employer plan; or ☐ a DFE (specify) ____	
B This return/report is:	☐ the first return/report; ☐ an amended return/report;	☐ the final 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; ☐ special extension (enter description)	☐ automatic extension;	☐ the DFVC program;

Part II Basic Plan Information—enter all requested information			
1a Name of plan Tri-State 401(k) Savings Plan		1b Three-digit plan number (PN) ▶	333
		1c Effective date of plan	01/01/1999
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) Tri-State Employment Services, Inc. 160 Broadway Suite 160 New York NY 10038		2b Employer Identification Number (EIN)	13-3703106
		2c Sponsor's telephone number	(212) 406-2740
		2d Business code (see instructions)	551112

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		10/12/11	Robert Cassera
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		10/12/11	Robert Cassera
	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.082307.1

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

Plan Name Tri-State 401(k) Savings Plan

EIN: 13-3703106

Plan Sponsor's Name Tri-State Employment Services, Inc.

PN: 333

(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
*	TD Ameritrade	American Balanced Fund		61,436
*	TD Ameritrade	American Growth Fund of America		265,295
*	TD Ameritrade	Blackrock EURO Fund Institutional Class		188,531
*	TD Ameritrade	Blackrock Small/Mid-Cap Growth Fund		88,316
*	TD Ameritrade	Davis New York Venture Fund		269,787
*	TD Ameritrade	Fidelity Leveraged Company Stock Fund		248,468
*	TD Ameritrade	Goldman Sachs Mid Cap Value Fund		95,906

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

Plan Name Tri-State 401(k) Savings Plan

EIN: 13-3703106

Plan Sponsor's Name Tri-State Employment Services, Inc.

PN: 333

(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
*	TD Ameritrade	Goldman Sachs Small Cap Value Fund		80,476
*	TD Ameritrade	Goldman Sachs Small Mid-Cap Growth Fund		98,590
*	TD Ameritrade	MFS Value Fund		37,363
*	TD Ameritrade	Oppenheimer Global Fund		186,761
*	TD Ameritrade	PIMCO Total Return Fund		641,750
*	TD Ameritrade	SEI Stable Asset Fund		224,440
*	TD Ameritrade	Stratton Small Cap Value Fund		55,136

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

Plan Name Tri-State 401(k) Savings Plan

EIN: 13-3703106

Plan Sponsor's Name Tri-State Employment Services, Inc.

PN: 333

(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
*	TD Ameritrade	Vanguard Index Small Cap Fund		130,055
*	TD Ameritrade	Vanguard Index Trust-500 Portfolio Fund		120,387
*	TD Ameritrade	Vanguard Inflation Protected Securities Fund		108,566
*	TD Ameritrade	Vanguard Mid Cap Index Fund		54,407
*	TD Ameritrade	Vanguard Target Retirement 2015 Fund		935,930
*	TD Ameritrade	Vanguard Target Retirement 2035 Fund		321,565
*	TD Ameritrade	Vanguard Target Retirement 2045 Fund		718,470

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

Plan Name Tri-State 401(k) Savings Plan

EIN: 13-3703106

Plan Sponsor's Name Tri-State Employment Services, Inc.

PN: 333

(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
*	TD Ameritrade	Vanguard Target Retirement 2050 Fund		88,450
*	TD Ameritrade	Vanguard Target Retirement FD 2025 Fund		333,385
*	TD Ameritrade	Vanguard Target Retirement 2010 Fund		213,635
*	TD Ameritrade	Vanguard Target Retirement 2020 Fund		653,708
*	TD Ameritrade	Vanguard Target Retirement 2030 Fund		741,666
*	TD Ameritrade	Vanguard Target Retirement 2040 Fund		190,203
*	TD Ameritrade	Vanguard Total Intl Stock Index Portfolio Fund		140,444

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

Plan Name Tri-State 401(k) Savings Plan
Plan Sponsor's Name Tri-State Employment Services, Inc.

EIN: 13-3703106
PN: 333

(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
*	TD Ameritrade	Vanguard US Treasury Short Term Fund		111,719
*	TD Ameritrade	TD Bank INSTL MMDA FTCIMA Fund		56,871
*	TD Ameritrade	TD Bank USA MMDA Fund		50,391
*	Various	Participant Loans Various Interest Rates		139,964