

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
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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>SIMPLE HR 401K PLAN</u> 2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>SIMPLE HR, INC 401K PLAN</u> <u>36474 EMERALD COAST PARKWAY, BLDG B</u> <u>DESTIN, FL 32541</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>01/01/2003</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>59-3603415</u></td> </tr> <tr> <td colspan="2">2c Sponsor's telephone number <u>850-650-9935</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>541214</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>333</u>	1c Effective date of plan <u>01/01/2003</u>		2b Employer Identification Number (EIN) <u>59-3603415</u>		2c Sponsor's telephone number <u>850-650-9935</u>		2d Business code (see instructions) <u>541214</u>	
1b Three-digit plan number (PN) ▶	<u>333</u>										
1c Effective date of plan <u>01/01/2003</u>											
2b Employer Identification Number (EIN) <u>59-3603415</u>											
2c Sponsor's telephone number <u>850-650-9935</u>											
2d Business code (see instructions) <u>541214</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	WILL S. LINDSLEY, II
	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") SIMPLE HR, INC 401K PLAN 36474 EMERALD COAST PARKWAY, BLDG B DESTIN, FL 32541	3b Administrator's EIN 59-3603415 3c Administrator's telephone number 850-650-9935
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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	510
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	300
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	108
d Subtotal. Add lines 6a , 6b , and 6c	6d	408
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	408
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	231
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	1
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

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

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) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
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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 SIMPLE HR 401K PLAN	B Three-digit plan number (PN) ▶ 333
C Plan sponsor's name as shown on line 2a of Form 5500 SIMPLE HR, INC 401K PLAN	D Employer Identification Number (EIN) 59-3603415

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

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

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

SLAVIC INTEGRATED ADMINISTRATION

65-0608221

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 26 27 37 38 50	TPA	47898	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 ☐

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

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

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(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 SIMPLE HR 401K PLAN	B Three-digit plan number (PN) ►	333
C Plan sponsor's name as shown on line 2a of Form 5500 SIMPLE HR, INC 401K PLAN	D Employer Identification Number (EIN) 59-3603415	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	7005	5435
(2) Participant contributions	1b(2)	36666	26004
(3) Other.....	1b(3)	1146	2126
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(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)	114079	156456
(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)	2779927	3617551
(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	2938823	3807572

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	2938823	3807572
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	157448	
(B) Participants	2a(1)(B)	499468	
(C) Others (including rollovers)	2a(1)(C)	324678	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		981594
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	4990	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		4990
(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)	69986	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		69986
(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)		282084
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1338654

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	382297	
(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)		382297
f Corrective distributions (see instructions)	2f		35676
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	47898	
(3) Investment advisory and management fees	2i(3)	4034	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		51932
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		469905

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		868749
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: O'SULLIVAN CREEL, LLP

(2) EIN: 59-3068078

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		100000
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)

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.
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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 <u>SIMPLE HR 401K 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>SIMPLE HR, INC 401K PLAN</u>	D Employer Identification Number (EIN) <u>59-3603415</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>65-0708495</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):

**PYRAMID DIVERSIFIED SERVICES, INC.
D/B/A SIMPLE HR 401(k) PLAN**

**Financial Statements and
Supplemental Schedule**

December 31, 2010 and 2009

**PYRAMID DIVERSIFIED SERVICES, INC.
D/B/A SIMPLE HR 401(k) PLAN**

**Financial Statements and
Supplemental Schedule**

December 31, 2010 and 2009

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Board of Directors
Pyramid Diversified Services, Inc. d/b/a Simple HR
Destin, Florida

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statements of net assets available for plan benefits of the Pyramid Diversified Services, Inc. d/b/a Simple HR (the Plan) as of December 31, 2010, and 2009, and the related statements of changes in net assets available for plan benefits for the years then ended, as listed in the accompanying table of contents. 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 plan benefits as of December 31, 2010, and 2009, and the related changes in net assets available for plan benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information included is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information is the responsibility of the Plan's management. The supplemental information has been subjected to the auditing procedures applied in the audit 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.

O'Sullivan Creel, LLP

October 11, 2011

Pyramid Diversified Services, Inc. d/b/a Simple HR
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Investments, at fair value		
Value of interest in registered investment companies	<u>\$ 3,617,551</u>	<u>\$ 2,779,927</u>
Receivables		
Notes receivable from participants	<u>156,456</u>	<u>114,079</u>
Contributions receivable		
Employee	26,004	36,666
Employer	4,859	5,589
Other	<u>2,702</u>	<u>2,562</u>
Total contributions receivable	<u>33,565</u>	<u>44,817</u>
Total receivables	<u>190,021</u>	<u>158,896</u>
TOTAL ASSETS	<u>3,807,572</u>	<u>2,938,823</u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS	<u><u>\$ 3,807,572</u></u>	<u><u>\$ 2,938,823</u></u>

The accompanying notes are an integral
part of these financial statements.

Pyramid Diversified Services, Inc. d/b/a Simple HR
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO		
Net gain in fair value of investments	\$ 278,588	\$ 491,508
Dividend income	69,986	49,378
Interest on participant loans	4,990	3,898
Other	<u>3,495</u>	<u>2,997</u>
	<u>357,059</u>	<u>547,781</u>
Contributions		
Employer	157,448	202,220
Participants	499,468	539,561
Rollover	<u>324,678</u>	<u>14,635</u>
Total contributions	<u>981,594</u>	<u>756,416</u>
TOTAL ADDITIONS	<u>1,338,653</u>	<u>1,304,197</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Benefits paid to participants	382,297	217,927
Corrective distributions	35,676	-
Administrative expenses	51,932	42,023
Transfer of assets out of Plan	<u>-</u>	<u>76,242</u>
TOTAL DEDUCTIONS	<u>469,905</u>	<u>336,192</u>
NET INCREASE	868,748	968,005
NET ASSETS AVAILABLE FOR PLAN BENEFITS - Beginning of year	<u>2,938,823</u>	<u>1,970,818</u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS - End of year	<u>\$ 3,807,572</u>	<u>\$ 2,938,823</u>

The accompanying notes are an integral
part of these financial statements.

Pyramid Diversified Services, Inc. d/b/a Simple HR
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

The following description of the Pyramid Diversified Services, Inc. d/b/a Simple HR 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

NOTE 1 - PLAN DESCRIPTION

A. General

The Plan is a defined contribution multiple-employer plan available to all full-time employees of Pyramid Diversified Services, Inc. d/b/a Simple HR (the Company) which is a professional employer organization providing employment services to a number of companies in the northwest Florida geographic area. Under the Plan, participating employers may adopt certain elections regarding their specific employment group as long as those elections meet the provisions of the Internal Revenue Code (IRC) and the Employee Retirement Income Security Act of 1974 (ERISA). Some of the elections available to participating employers are eligibility requirements, entry dates and minimum number of hours worked in the Plan year. Participating employers may also elect to transfer assets from existing plans into the Simple HR Plan.

B. Contributions

Contributions are made by the Company on behalf of the employee participants who have agreed to have their taxable wages or salaries reduced. Participants may agree to have the Company withhold up to 100% of their compensation for the purpose of making before-tax savings contributions to the Plan. Contributions are limited by Federal Tax legislation. The limit for 2010 and 2009 401(k) employee contributions was \$16,500, per participant. Participants may also contribute amounts representing distributions from other qualified defined-benefit or contribution plans.

Employer contributions are comprised of two components: a profit sharing contribution and an employer matching contribution. The profit sharing contribution is made at the discretion of the participating employers and is allocated among all participants in an employment group based on the ratio which each participant's annual compensation bears to the total compensation for all participants.

Participating employers have several options if they elect to offer a matching provision. Included in those options are provisions ("Safe Harbor Methods") which satisfy certain Internal Revenue Code requirements and eliminate the need for the performance of certain non-discrimination annual tests. All matching or profit sharing contributions are invested at the participant's discretion.

Pyramid Diversified Services, Inc. d/b/a Simple HR
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 1 - PLAN DESCRIPTION (CONTINUED)

C. Participant Accounts

Each participant's account is credited with the participant's before-tax contributions and an allocation of (a) the participating employer's contribution and (b) Plan earnings. Allocations of profit sharing contributions are based on participant earnings as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account. Forfeitures of terminated participant's non-vested accounts, if applicable, are used to offset employer contributions to the Plan.

D. Vesting

Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the remainder of their accounts is based on years of continuous service as elected by the participating employers, not to exceed six years.

E. Participant Investment Options

Participants must direct their salary deferred contributions from several investment options offered through Slavic Integrated Administration, Inc. (Slavic) as made available and determined by the Plan Administrator. Those investment options consist of values of interest in registered investment companies and a guaranteed general account. Values of interest in registered investment companies are units of participation that the Plan has in the underlying assets of the mutual fund.

F. Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan transactions are treated as a transfer between the investment account and the Participant Loans account. Loan terms may range from one to five years, except those loans used to acquire or construct any dwelling unit to be used as a primary residence. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Plan Administrator. The interest rate currently charged ranges from 4.25% to 8.75%. Principal and interest are paid ratably through payroll deductions. Any balance not repaid within five years is treated as a taxable distribution to the participant.

Pyramid Diversified Services, Inc. d/b/a Simple HR
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 1 - PLAN DESCRIPTION (CONTINUED)

G. Payment of Benefits

On termination of service due to death, disability, or retirement, a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in a lump-sum distribution, or in monthly installments. For termination of service due to other reasons, a participant may choose to leave the vested interest in the plan if such amounts exceed \$5,000 or elect a lump sum distribution, participants with vested amounts less than \$1,000 must elect a lump sum distribution, and participants with a vested amount between \$1,000 and \$5,000 are placed in an IRA provided by the Plan Administrator or may elect a lump sum distribution. Funds may also be accessed prior to the date they become distributable by way of a financial hardship withdrawal. Hardship withdrawals are allowable in accordance with current Internal Revenue Service guidelines.

H. Forfeitures

Forfeited balances of terminated participants' nonvested accounts are used to offset the Plan's administrative expenses. Forfeitures used to offset Plan administrative expenses during 2010, totaled \$5,082.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

B. Estimates

The preparation of the Plan's financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make significant estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the changes in net assets available for benefits during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

C. Notes Receivable from Participants

Loans to participants are reported at their unpaid principal balances plus any accrued but unpaid interest.

Pyramid Diversified Services, Inc. d/b/a Simple HR
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Values of interest in registered investment companies are measured at market value as determined by the Custodian. Because of the inherent uncertainties in estimated market value, it is reasonably possible that the estimates used will change within the near term. The Plan presents in the statement of changes in net assets available for plan benefits, the net appreciation (decline) in the fair value of its investments which consists of the net change in market value of values of interest in registered investment companies during the year. Purchases and sales of securities are recorded on a trade-date basis. Interest and dividend income is recorded on the accrual basis.

E. Payment of Benefits

Benefits to participants are recorded when paid.

F. Administrative Expenses

Administrative expenses of the Plan are paid by the participants and from forfeited balances of terminated participants' nonvested accounts as disclosed in Note 1-H. Administrative expenses for the year ended December 31, 2010, were \$51,932. Other administrative expenses such as accounting and legal fees are paid by the Company, rather than the participants.

G. Risks and Uncertainties

The Plan provides for various investment options in any combination of stocks, fixed income securities, mutual funds, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities 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.

H. Subsequent Event

The Company has evaluated events and transactions that occurred between December 31, 2010, and October 11, 2011, which is the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

Pyramid Diversified Services, Inc. d/b/a Simple HR
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 3 - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The following is a description of the valuation methodologies used for assets measured at fair value:

- *Values of interest in registered investment companies:* The fair value of values of interest in registered investment companies is based on the net asset value per unit as determined by the Custodian. The net asset value per unit is derived using the market approach by determining the market value of the underlying investments.

Pyramid Diversified Services, Inc. d/b/a Simple HR
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010, and 2009:

Assets at Fair Value of as December 31, 2010				
	Level 1	Level 2	Level 3	Total
Values of interest in registered investment companies				
Value funds	\$ -	\$ 89,044	\$ -	\$ 89,044
Blended funds	-	1,580,952	-	1,580,952
Growth funds	-	555,174	-	555,174
Bond funds	-	1,224,155	-	1,224,155
Money market	-	168,226	-	168,226
Total mutual funds	-	3,617,551	-	3,617,551
<i>Total assets at fair value</i>	<u>\$ -</u>	<u>\$ 3,617,551</u>	<u>\$ -</u>	<u>\$ 3,617,551</u>

Assets at Fair Value of as December 31, 2009				
	Level 1	Level 2	Level 3	Total
Values of interest in registered investment companies				
Value funds	\$ -	\$ 131,596	\$ -	\$ 131,596
Blended funds	-	1,170,700	-	1,170,700
Growth funds	-	421,079	-	421,079
Bond funds	-	806,645	-	806,645
Money market	-	249,907	-	249,907
Total mutual funds	-	2,779,927	-	2,779,927
<i>Total assets at fair value</i>	<u>\$ -</u>	<u>\$ 2,779,927</u>	<u>\$ -</u>	<u>\$ 2,779,927</u>

NOTE 4 - INVESTMENTS

The following presents investments that represent 5% or more of the Plan's net assets:

	2010	2009
T Rowe Price New Asia	\$ 357,925	\$ 229,033
American Funds EuroPacific R6	\$ 272,298	-
Vanguard REIT Index	\$ 275,159	190,726
Vanguard Total Stock Market Index Signal	\$ 531,821	397,514
Vanguard Inflation Protected Secs	\$ 196,647	108,669
Vanguard Short-Term Fed	\$ 458,128	320,010
Vanguard Short-Term Federal Admiral	\$ 334,140	320,289
T Rowe Price New Era	\$ 244,765	178,113

Pyramid Diversified Services, Inc. d/b/a Simple HR
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 5 - TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated October 13, 2004, that the Plan is designed in accordance with the applicable requirements of the Internal Revenue Code. The Company has amended the plan periodically to comply with Federal law changes and Internal Revenue Service requirements. However, the Plan Administrator and the Plan's Tax Counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Management is not aware of any uncertain tax positions that would require accrual or disclosure in accordance with generally accepted accounting principles. The Plan is no longer subject to tax examinations by tax authorities for years before 2007.

NOTE 6 - PLAN TERMINATION

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

NOTE 7 - CHANGE IN ACCOUNTING PRINCIPLE

In September 2010, the Financial Accounting Standards Board (FASB) issued guidance clarifying the classification and measurement of participant loans by defined contribution pension plans. That guidance requires that participant loans be classified as notes receivable from participants and measured at their unpaid principal balance, plus any accrued but unpaid interest. The Plan adopted this new guidance in its December 31, 2010 financial statements and has reclassified participant loans of \$156,456 and \$114,079 for the years ended December 31, 2010, and 2009, respectively, from investments to notes receivable from participants. Net assets of the Plan were not affected by the adoption of the new guidance.

NOTE 8 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

Net assets available for benefits per the financial statements at December 31, 2010, and 2009, agree with the amount of net assets available for benefits reported on Form 5500 for the applicable year, as there were no amounts allocated to withdrawing participants for unpaid benefit claims at year-end.

Pyramid Diversified Services, Inc. d/b/a Simple HR
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 9 - RECLASSIFICATION

Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year presentation.

SUPPLEMENTAL SCHEDULE

Pyramid Diversified Services, Inc. d/b/a Simple HR
EIN #59-3603415 PN-333
Form 5500, Schedule H 4i
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2010

(A)	(B) Identity of issuer, 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
	Investments, at fair value	Values of interest in registered investment companies		
	American Funds	EuroPacific		\$ 272,298
	American Funds	Growth Fund of America		74,669
	American Funds	New Perspective		23,193
	American Funds	Capital World Growth & Income		54,206
	BlackRock	Health Sciences Services		10,975
	Bridgeway Funds	Ultra-Small Company Market		6,090
	Fidelity Funds	International Discovery		66
	Fidelity Funds	Diversified International		42,420
	Fidelity Funds	Advisor Midcap		148
	John Hancock Funds	Classic Value A		20,490
	Neuberger & Berman Funds	Partners Advisor		28,464
	North Track Funds	NYSE Arca Tech 100 Index A		13,457
	Ssga Funds	S&P Index 500		23,888
	T. Rowe Price Funds	New Asia		357,925
	T. Rowe Price Funds	New Era		244,765
	T. Rowe Price Funds	Mid Cap Growth		122,766
	TCW Galileo Funds	Value Opportunities I		325
	Third Avenue Funds	Value		14,022
	Vanguard Funds	Intermediate Term Bond Index		132,051
	Vanguard Funds	Total Bond Index		103,189
	Vanguard Funds	REIT Index		275,159
	Vanguard Funds	Mid Cap Index		10,838
	Vanguard Funds	Inflation Protected Securities		196,647
	Vanguard Funds	Small Cap Growth Index		22,782
	Vanguard Funds	Money Market Prime		166,401
	Vanguard Funds	Short-Term Fed		458,128
	Vanguard Funds	Short-term Federal Admiral		334,140
	Vanguard Funds	Total Stock Market Index		74,403
	Vanguard Funds	Total Stock Market Index Signal		531,821
	Vanguard Funds	Treasury Money Market		1,825
				<u>\$ 3,617,551</u>

(A) and (D) are not applicable.

See independent auditor's report.

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

SIMPLE HR 401K PLAN

PLAN# 333

EIN #: 59-3603415

(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
	American Funds	RERGX - American Funds EuroPacifc R6		272,298
	American Funds	RGAEX - American Growth Fund Of America CI R4		74,669
	American Funds	RNPEX - American Funds New Perspective		23,193
	American Funds	RWIEX - American Captial World Growth & Inc R4		54,206
	BlackRock Funds	SHISX - BlackRock Health Sciences Svc		10,975
	Bridgeway Funds	BRSIX - Bridgeway Ultra-Small Company Mkt		6,090
	Fidelity Funds	FAIDX - Fidelity Advisor Int'l Discovery A		66
	Fidelity Funds	FDVAX - Fidelity Advisor Diversified Int'l A		42,420
	Fidelity Funds	FMCDX - Fidelity Advisor Midcap		148
	John Hancock Funds	PZFBX - Hancock Classic Value A		20,490
	Neuberger & Berman Funds	NBPBX - Neuberger Berman Partners Adv		28,464
	North Track Funds	PPTIX - Highmark NYSE Arca Tech 100 Index A		13,457
	Ssga Funds	SVSPX - SSgA S&P Index 500		23,888
	T Rowe Price Funds	PRASX - T Rowe Price New Asia		357,925
	T Rowe Price Funds	PRNEX - T Rowe Price New Era		244,765
	T Rowe Price Funds	RPMGX - T Rowe Price Mid Cap Growth		122,766
	TCW Galileo Funds	TGVOX - TCW Galileo Value Opportunities I		325
	Third Avenue Funds	TAVFX - Third Avenue Value		14,022
	Vanguard Funds	VBIIIX - Vanguard Intermediate-Term Bond Index		132,051
	Vanguard Funds	VBMFX - Vanguard Total Bond Index		103,189
	Vanguard Funds	VGSIX - Vanguard REIT Index		275,159
	Vanguard Funds	VIMSX - Vanguard Mid Cap Index		10,838
	Vanguard Funds	VIPSX - Vanguard Inflation Protected Secs		196,647
	Vanguard Funds	VISGX - Vanguard Small Cap Growth Index		22,782
	Vanguard Funds	VMMXX - Vanguard Money Market Prime		166,401
	Vanguard Funds	VSGBX - Vanguard Short-Term Fed		458,128
	Vanguard Funds	VSGDX - Vanguard Short-Term Federal Admiral		334,140
	Vanguard Funds	VTSMX - Vanguard Total Stock Market Index		74,403
	Vanguard Funds	VTSSX - Vanguard Total Stock Market Index Signal		531,821
	Vanguard Funds	VUSXX - Vanguard Treasury Money Market		1,824
	Participant Loans	4.25% to 8.75%		156,456