

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 24pt;">2010</div>
		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>TLC VISION USA CORPORATION 401(K) PLAN</u>	1b Three-digit plan number (PN) ► <u>001</u> 1c Effective date of plan <u>01/01/1996</u>
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>TLC VISION USA CORPORATION</u> <u>16305 SWINGLEY RIDGE RD SUITE 300</u> <u>CHESTERFIELD, MO 63017</u>	2b Employer Identification Number (EIN) <u>38-3216220</u> 2c Sponsor's telephone number <u>636-534-2300</u> 2d Business code (see instructions) <u>621111</u>

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

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

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/14/2011</u>	<u>CHARICE ANDERSON</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") TLC VISION USA CORPORATION 16305 SWINGLEY RIDGE RD SUITE 300 CHESTERFIELD, MO 63017	3b Administrator's EIN 38-3216220 3c Administrator's telephone number 636-534-2300
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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	1146
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	595
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	411
d Subtotal. Add lines 6a , 6b , and 6c	6d	1006
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	1006
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	962
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	33

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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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 2R 2S 2T 3D 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) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

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

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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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 TLC VISION USA CORPORATION 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500. TLC VISION USA CORPORATION	D Employer Identification Number (EIN) 38-3216220	

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

(a) Name of insurance carrier
GREAT WEST LIFE & ANNUITY INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
84-0467907	68322	456020-01	962	01/01/2010	12/31/2010

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

(a) Total amount of commissions paid	(b) Total amount of fees paid
5860	0

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

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid LOCKTON FINANCIAL ADVISORS LLC 444 W 47TH ST STE 900 KANSAS CITY, MO 64112

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
5860			3

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

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

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4 Current value of plan's interest under this contract in the general account at year end **4** 2580551**5** Current value of plan's interest under this contract in separate accounts at year end **5** 0**6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ GROUP ANNUITY CONTRACT**b** Balance at the end of the previous year **7b** 2284859**c** Additions: (1) Contributions deposited during the year **7c(1)** 370107(2) Dividends and credits **7c(2)** 0(3) Interest credited during the year **7c(3)** 59781(4) Transferred from separate account **7c(4)** 185778(5) Other (specify below) **7c(5)** 45868

▶ LOAN REPAYMENTS CONTRIBUTIONS TO FORFEITURE ACCOUNT

(6) Total additions **7c(6)** 661534**d** Total of balance and additions (add **b** and **c(6)**). **7d** 2946393**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 248827(2) Administration charge made by carrier **7e(2)** 972(3) Transferred to separate account **7e(3)** 116043(4) Other (specify below) **7e(4)** 0(5) Total deductions **7e(5)** 365842**f** Balance at the end of the current year (subtract **e(5)** from **d**) **7f** 2580551

Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

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

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

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

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

<div>A</div> <div>Name of plan</div> <div>TLC VISION USA CORPORATION 401(K) PLAN</div>	<div>B</div> <div>Three-digit plan number (PN)</div> <div>▶</div> <div>001</div>
<div>C</div> <div>Plan sponsor's name as shown on line 2a of Form 5500</div> <div>TLC VISION USA CORPORATION</div>	<div>D</div> <div>Employer Identification Number (EIN)</div> <div>38-3216220</div>

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

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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)

GREAT-WEST LIFE & ANNUITY COMPANY

8515 EAST ORCHARD ROAD
GREENWOOD VILLAGE, CO 80111

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64	RECORDKEEPER	8749	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

LOCKTON FINANCIAL ADVISORS LLC

444 W 47TH ST SUITE 900
KANSAS CITY, MO 64112

(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?
55	BROKER/ADVISER	0	Yes ☒ No ☐	Yes ☐ No ☒	30548	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
LOCKTON FINANCIAL ADVISORS LLC	55	30548

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

(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 TLC VISION USA CORPORATION 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 TLC VISION USA CORPORATION	D Employer Identification Number (EIN) 38-3216220	

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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities.....	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other.....	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	215843	215837
(9) Value of interest in common/collective trusts.....	1c(9)	0	0
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	12268539	13452854
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	2284859	2580551
(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	46272	4074
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	14815513	16253316

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	14815513	16253316
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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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	0	
(B) Participants	2a(1)(B)	1576108	
(C) Others (including rollovers)	2a(1)(C)	41677	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1617785

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	10303	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		10303

(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	216324	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		216324

(3) Rents	2b(3)		0
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	9804	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	13964	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-4160

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	0	
(B) Other	2b(5)(B)	-47011	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-47011
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		1370384
c Other income.....	2c		62132
d Total income. Add all income amounts in column (b) and enter total.....	2d		3225757

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1751789	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1751789
f Corrective distributions (see instructions)	2f		16464
g Certain deemed distributions of participant loans (see instructions).....	2g		10952
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	8749	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		8749
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1787954

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1437803
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ 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: BROWN SMITH WALLACE

(2) EIN: 43-1001367

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		5000000
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)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan TLC VISION USA CORPORATION 401(K) PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 TLC VISION USA CORPORATION		D Employer Identification Number (EIN) 38-3216220
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		10
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 20-3691708		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 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):

TLC VISION (USA) CORPORATION
401(K) PLAN

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2010

***TLC Vision (USA) Corporation
401(k) Plan***

Index

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Independent Auditors' Report

To the Participants and Plan Administrator of
TLC Vision (USA) Corporation 401(k) Plan
St. Louis, Missouri

We were engaged to audit the financial statements of TLC Vision (USA) Corporation 401(k) Plan as of December 31, 2010 and 2009 and for the years then ended, and the supplemental schedule as of and for the year ended December 31, 2010 as listed in the accompanying index. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by Section 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 3, which was certified by FASCore LLC, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2010 and December 31, 2009 that the information provided to the plan administrator by the trustee is complete and accurate.

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

Brown Smith Wallace, LLC

St. Louis, Missouri
October 12, 2011

TLC Vision (USA) Corporation 401(k) Plan

Statements of Net Assets Available for Benefits

December 31, 2010 and 2009

(See Independent Auditors' Report)

	<u>2010</u>	<u>2009</u>
Assets		
Investments, at fair value	\$16,037,476	\$14,599,672
Receivables		
Participant contributions	2,355	-
Employer contributions	13,729	-
Notes receivable from participants	<u>215,837</u>	<u>215,843</u>
	<u>231,921</u>	<u>215,843</u>
Total assets	16,269,397	14,815,515
Liabilities		
Excess contribution payable	<u>24,237</u>	<u>16,450</u>
Net assets available for benefits	<u>\$16,245,160</u>	<u>\$14,799,065</u>

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

TLC Vision (USA) Corporation 401(k) Plan

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2010

(See Independent Auditors' Report)

Additions to net assets attributed to

Investment and interest income

Interest income on notes receivable from participants	\$ 10,393
Net realized and unrealized appreciation in fair value of investments	<u>1,594,915</u>
Total	<u>1,605,308</u>

Contributions

Participant	1,578,234
Employer	16,339
Rollovers	<u>41,677</u>
	<u>1,636,250</u>

Total additions 3,241,558

Deductions from net assets attributed to

Benefits paid to participants	1,760,383
Excess contributions	24,238
Fees	<u>10,842</u>

Total deductions 1,795,463

Net Increase 1,446,095

Net assets available for benefits

Beginning of year	<u>14,799,065</u>
End of year	<u>\$16,245,160</u>

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

TLC Vision (USA) Corporation 401(k) Plan

Notes to Financial Statements

December 31, 2010 and 2009

(See Independent Auditors' Report)

1. Description of Plan

The following description of the ***TLC Vision (USA) Corporation*** (Company or Employer) ***401(k) 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 covering substantially all employees of the Company and its affiliates who have completed three months of service and are age twenty-one or older. It is subject to the provisions of the Employee Retirement Income Security Act (ERISA).

Contribution

Each year, participants may contribute up to 100% of pretax annual compensation, as defined in the Plan and limited by Internal Revenue Code regulations. Participants may also contribute amounts representing distributions from other qualified plans. Participants direct the investment of their contributions into various investment options offered by the Plan. Company matching amounts may be contributed at the option of the Company.

On January 21, 2008, the Plan was amended to allow automatic enrollment of all employees of the Company. Effective April 1, 2008, a participant's compensation shall automatically be reduced by 3%, which amount shall be deemed to be the participant's salary reduction election if the participant does not elect to defer a different percentage of compensation. For new enrollments after July 1, 2010, the automatic salary reduction rate was increased to 5%. A participant may elect to opt-out of the automatic enrollment program at any time.

Participant Accounts

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

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of service, as defined by the Plan. A participant is 100 percent vested after three years of credited service.

Forfeitures

The non-vested portion of a terminated participant's account balance remains in the Plan as a forfeiture. Forfeitures may be used by the Plan for the payment of expenses and to reduce the Company's contributions to the Plan. At December 31, 2010 and 2009, forfeited nonvested accounts totaled \$16,111 and \$43,051, respectively.

TLC Vision (USA) Corporation 401(k) Plan

Notes to Financial Statements - Continued

December 31, 2010 and 2009

(See Independent Auditors' Report)

1. Description of Plan (continued)

Notes Receivable from Participants

Active employees in the Plan with a minimum vested account balance of \$2,000 are eligible to obtain a loan. Maximum loan amounts are equal to the lesser of \$50,000 or 50% of the vested balance. The loans will carry terms up to 60 months with interest rates at 1% over prime.

Payment of Benefits

On termination of service, a participant may elect to receive a lump sum amount equal to the value of the participant's vested interest in his or her account.

2. Summary of Accounting Policies

Basis of Accounting

The financial statements of the Plan have been prepared using the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is determined by quoted market prices. Participant loans are valued at cost which approximate fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The statement of net assets available for benefits presents the fair value of the Great West Key Guaranteed Fund which is a fully benefit-responsive investment fund. Since the fair value of this contract approximates its contract value, the statement of changes in net assets available for benefits does not require a separate adjustment for reporting the Plan net assets on a fair value basis. The statement of changes in net assets available for benefits is prepared on a contract value.

Payment of Benefits

Benefits are recorded when paid.

TLC Vision (USA) Corporation 401(k) Plan

Notes to Financial Statements - Continued

December 31, 2010 and 2009

(See Independent Auditors' Report)

2. Summary of Accounting Policies (continued)

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Administrative Expenses

Salaries and related benefits of employees under the Plan are provided by the Company. Other administrative expenses, primarily transaction fees and account fees, are paid by the Plan. Costs associated with the origination of loans are paid by the participants obtaining such loans.

New Accounting Pronouncement

In September 2010, the Financial Accounting Standards Board issued ASU 2010-25, *Reporting Loans to Participants by Defined Contribution Plans*, 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 guidance in the December 31, 2010 financial statements and has reclassified participant loans from investments to notes receivable from participants.

Subsequent Events

The Plan has evaluated subsequent events through October 13, 2011 the date the financial statements were available to be issued.

3. Information Certified by the Plan's Trustee

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, FAScore LLC, the trustee of the Plan, has certified to the completeness and accuracy of all investments reflected on the accompanying statements of assets available for benefits as of December 31, 2010 and 2009, Note 4, the supplemental Schedule H, line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2010, and the related investment activity reflected in the statements of changes in assets available for benefits for the year ended December 31, 2010.

4. Investments

The following presents investments that represent five percent or more of the Plan's net assets.

	December 31,	
	<u>2010</u>	<u>2009</u>
American Funds Europacific Growth R3	\$ 2,082,242	\$ 2,037,959
Davis NY Venture A	961,176	887,494
American Funds Growth Fund of Amer R3	1,406,621	1,302,752
Oakmark Equity & Income II	1,317,833	1,220,205
Fidelity Advisor Freedom 2025 Fund T	1,265,787	1,232,300
Fidelity Advisor Freedom 2035 Fund T	754,775	746,318
Columbia MidCap Value A	1,067,911	938,326
Maxim Loomis Sayles Bond Portfolio	1,176,642	1,100,201
Key Guarantee Portfolio Fund	2,580,550	2,284,859

TLC Vision (USA) Corporation 401(k) Plan

Notes to Financial Statements - Continued

December 31, 2010 and 2009

(See Independent Auditors' Report)

4. Investments (continued)

During 2010, the Plan's investments (including gains and losses on investments bought and sold, as well as, held during the year) appreciated in value by \$1,594,915, as follows:

Mutual funds	\$ 1,192,531
Target-date mutual funds	394,178
Investment contract	59,376
TLC Vision Corp unitized stock fund.	(51,170)
Total	\$ 1,594,915

During 2010 and 2009, the Plan entered into a benefit-responsive investment contract noted in the financial statements as the Key Guarantee Portfolio Fund, with Great West Life and Annuity (Great West). Great West maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

As described in Note 2, because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Contract value, as reported to the Plan by Great West, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer, but will never be less than 0%. Such interest rates are reviewed on a quarterly basis for resetting.

Certain events may limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another Plan), (2) changes to Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under Employee Retirement Income Security Act of 1974. The Plan administrator does not believe that the occurrence of any such value event, which would limit the Plan's ability to transact at contract value with participants, is likely to occur in the near-term. The Plan sponsor filed for bankruptcy under chapter 11 of the United States Bankruptcy Code in December of 2009. This event did not limit the ability to transact any withdrawal requests initiated from the date of the bankruptcy filing through the date of the financial statements.

The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

Average yields:	<u>2010</u>	<u>2009</u>
Based on actual earnings	2.49 %	3.24%
Based on interest rate credited to participants	2.49 %	3.16%

TLC Vision (USA) Corporation 401(k) Plan

Notes to Financial Statements - Continued

December 31, 2010 and 2009

(See Independent Auditors' Report)

5. 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 which 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 are described as follows:

- Level 1 includes observable inputs which reflect quoted prices for identical assets or liabilities in active markets at the measurement date. The Plan has concluded that all of the mutual fund balances and the TLC Vision stock fund represent a Level 1 valuation.
- Level 2 includes observable inputs for assets or liabilities, other than quoted prices included in Level 1, and it includes valuation techniques which use prices for similar assets and liabilities. The Plan has concluded that the unallocated insurance contract represents a Level 2 valuation.
- Level 3 includes unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets. The Plan has concluded that there are no assets that represent a Level 3 valuation.

The assets' fair value measurements level within the fair value hierarchy is based on the lowest level of 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 methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements. There were no changes in the methodologies used at December 31, 2009 and 2008.

The following tables set forth, by level within the fair value hierarchy, the Plan's assets at fair value December 31, 2010 and 2009:

TLC Vision (USA) Corporation 401(k) Plan

Notes to Financial Statements - Continued

December 31, 2010 and 2009

(See Independent Auditors' Report)

5. Fair Value Measurements (continued)

Description	Fair Value Measurements at December 31, 2010		
	Level 1	Level 2	Level 3
Mutual funds:			
Large-Cap Funds	\$ 3,757,052	\$ --	\$ --
Balanced Funds	1,355,366	--	--
International Funds	2,765,006	--	--
Mid-Cap Fund	1,067,911	--	--
Bond Fund	1,176,642	--	--
Small-Cap Fund	114,897	--	--
Target-date Funds	3,215,978	--	--
TLC Vision stock fund	4,074	-	--
Unallocated insurance contract	--	2,580,550	--
Total	<u>\$ 13,456,926</u>	<u>\$ 2,580,550</u>	<u>\$ --</u>

Description	Fair Value Measurements at December 31, 2009		
	Level 1	Level 2	Level 3
Mutual funds:			
Large-Cap Funds	\$ 3,365,800	\$ --	\$ --
Balanced Funds	1,256,200	--	--
International Funds	2,516,389	--	--
Mid-Cap Fund	938,326	--	--
Bond Fund	1,100,201	--	--
Small-Cap Fund	190,840	--	--
Target-date Funds	2,900,785	--	--
TLC Vision stock fund	46,272	-	--
Unallocated insurance contract	--	2,284,859	--
Total	<u>\$ 12,314,853</u>	<u>\$ 2,284,859</u>	<u>\$ --</u>

6. Transactions with Parties-in-Interest

During the years ended December 31, 2010 and 2009 the Plan held units of participation in an unallocated insurance contract and participants were also able to sell shares of Company common stock as directed. Additionally, participants were able to take loans against their vested account balance. The unallocated insurance contract had a total fair value of \$2,580,550 and \$2,284,859 at December 31, 2010 and 2009, respectively. During the year ended December 31, 2010, transactions within the contract included aggregate purchases of \$586,054 and aggregate sales of \$322,798. These transactions are allowable party-in-interest transactions under Section 408(b) (8) of the ERISA regulations.

Fees paid by the Plan for investment management and administrative services were \$10,842 for the year ended December 31, 2010.

At December 31, 2010 and 2009, the Plan held 1,044,549 and 841,312 shares respectively, of the Company's unitized common stock fund that had a fair value of \$4,074 and \$46,272, respectively.

TLC Vision (USA) Corporation 401(k) Plan

Notes to Financial Statements - Continued

December 31, 2010 and 2009

(See Independent Auditors' Report)

7. Plan Termination

Although it has not expressed any intent to terminate the Plan, 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 would become 100 percent vested in their employer contributions.

8. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated August 5, 2005, 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 believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

9. Risks and Uncertainties

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

10. Reconciliation of Financial Statements to Schedule H of Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements as of December 31, 2010 to Schedule H of Form 5500:

	<u>2010</u>
Net assets available for benefits per the financial statements	\$16,245,160
Less: Contributions receivable	(16,084)
Plus: Excess contribution payable	24,238
Plus: Miscellaneous	<u>2</u>
Net assets available for benefits per Schedule H to the Form 5500	<u><u>\$16,253,316</u></u>

TLC Vision (USA) Corporation 401(k) Plan

Notes to Financial Statements - Continued

December 31, 2010 and 2009

(See Independent Auditors' Report)

10. Reconciliation of Financial Statements to Schedule H of Form 5500 (continued)

The following is a reconciliation of changes in net assets available for benefits per the financial statements for the year ended December 31, 2010 to Schedule H of Form 5500:

	2010
Net increase per the financial statements	\$ 1,446,095
Plus: 2010 contribution receivable	16,084
Less: 2010 Excess contributions	(24,238)
Less: 2010 Miscellaneous	(138)
	<hr/>
Net income per Schedule H of Form 5500	\$ 1,437,803
	<hr/>

The following is a reconciliation of net assets available for benefits per the financial statements for the year ended December 31, 2009 to Schedule H of Form 5500:

	2009
Net assets available for benefits per the financial statements	\$14,799,065
Plus: Excess contribution payable	16,450
Less: Miscellaneous	(2)
	<hr/>
Net assets available for benefits per Schedule H to the Form 5500	\$14,815,513
	<hr/>

Supplemental Schedule

TLC Vision (USA) Corporation 401(k) Plan**Schedule of Assets (Held at End of Year)
Schedule H, Line 4i**

EIN 38-3216220 Plan 001

December 31, 2010

(See Independent Auditors' Report)

Identity of issue, borrower, lessor or similar party	Description of investment:	Cost	Current Value
AlgerMid Cap Growth Fund Institutional	Mutual Fund	**	\$ 590,178
American FundsEuroPacific Growth Fund - R3	Mutual Fund	**	2,082,242
American FundsGrowth Fund of America Fund - R3	Mutual Fund	**	1,406,621
American FundsFundamental Investor Fund - R3	Mutual Fund	**	772,244
DavisNew York Venture Fund - A	Mutual Fund	**	961,176
Oakmark Equity & Income II	Mutual Fund	**	1,317,833
Fidelity Advisor Freedom 2005 Fund T	Mutual Fund	**	225,421
Fidelity Advisor Freedom 2010 C	Mutual Fund	**	1,046
Fidelity Advisor Freedom 2020 T	Mutual Fund	**	99,560
Fidelity Advisor Freedom 2025 Fund T	Mutual Fund	**	1,265,787
Fidelity Advisor Freedom 2030 T	Mutual Fund	**	64,077
Fidelity Advisor Freedom 2045 Fund T	Mutual Fund	**	179,908
Fidelity Advisor Freedom 2015 Fund T	Mutual Fund	**	560,871
Fidelity Advisor Freedom 2035 Fund T	Mutual Fund	**	754,775
Fidelity Advisor Freedom 2040 T	Mutual Fund	**	37,465
Fidelity Advisor Freedom 2050 T	Mutual Fund	**	27,071
Maxim Index 600	Mutual Fund	**	444,050
Royce Total Return R	Mutual Fund	**	37,533
Columbia MidCap Value A	Mutual Fund	**	1,067,911
Vanguard 500 Index	Mutual Fund	**	118,989
Maxim Loomis Sayles Bond Portfolio	Mutual Fund	**	1,176,642
* Key Guaranteed Portfolio Fund	Mutual Fund	**	2,580,550
Fidelity Advisor Small Cap T	Mutual Fund	**	114,897
Eaton Vance Large Cap Value A	Mutual Fund	**	53,972
Oppenheimer Developing Markets A	Mutual Fund	**	92,586
* TLC Vision Corp Stock	Company Stock Fund	**	4,074
* Participant Loans	Participant Loans (various maturities with Interest rates ranging from 4.25% to 6%) -		215,837
			<u>\$ 16,253,316</u>

* Represents a party-in-interest

** Represents a participant directed investment

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

Plan Name TLC VISION USA CORPORATION 401(K) PLAN

EIN: 38-3216220

Plan Sponsor's Name TLC VISION USA CORPORATION

PN: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	FIDELITY ADVISOR FREEDOM 2005 FUND	N/A	174,587	225,421
	FIDELITY ADVISOR FREEDOM 2010 FUND	N/A	993	1,046
	FIDELITY ADVISOR FREEDOM 2015 FUND	N/A	420,503	560,871
	FIDELITY ADVISOR FREEDOM 2020 FUND	N/A	90,798	99,560
	FIDELITY ADVISOR FREEDOM 2025 FUND	N/A	886,196	1,265,784
	FIDELITY ADVISOR FREEDOM 2030 FUND	N/A	58,211	64,077
	FIDELITY ADVISOR FREEDOM 2035 FUND	N/A	516,545	754,775

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

Plan Name TLC VISION USA CORPORATION 401(K) PLAN

EIN: 38-3216220

Plan Sponsor's Name TLC VISION USA CORPORATION

PN: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	FIDELITY ADVISOR FREEDOM 2040 FUND	N/A	33,370	37,465
	FIDELITY ADVISOR FREEDOM 2045 T	N/A	127,402	179,908
	FIDELITY ADVISOR FREEDOM 2050 T	N/A	24,026	27,071
	AMERICAN FUNDS EUROPACIFIC GROWTH	N/A	2,079,847	2,082,242
	OPPENHEIMER DEVELOPING MARKETS A	N/A	81,231	92,586
	FIDELITY ADVISOR SMALL CAP T	N/A	89,930	114,897
	MAXIM INDEX 600	N/A	287,469	444,050

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

Plan Name TLC VISION USA CORPORATION 401(K) PLAN

EIN: 38-3216220

Plan Sponsor's Name TLC VISION USA CORPORATION

PN: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	ROYCE TOTAL RETURN R	N/A	24,507	37,533
	ALGER MID CAP GROWTH FUND INST'L	N/A	590,404	590,178
	COLUMBIA MID CAP VALUE A	N/A	651,839	1,067,911
	AMERICAN FUNDS FUNDAMENTAL INV R3	N/A	759,408	772,244
	AMERICAN FUNDS GROWTH FUND OF AMER	N/A	1,377,298	1,406,621
	DAVIS NY VENTURE A	N/A	928,327	961,176
	EATON VANCE LARGE-CAP VALUE A	N/A	42,425	53,972

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

Plan Name TLC VISION USA CORPORATION 401(K) PLAN

EIN: 38-3216220

Plan Sponsor's Name TLC VISION USA CORPORATION

PN: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	VANGUARD 500 INDEX INVESTOR	N/A	89,157	118,989
	OAKMARK EQUITY AND INCOME II	N/A	1,207,808	1,317,833
	MAXIM LOOMIS SAYLES BOND PORTFOLIO	N/A	950,458	1,176,642
	TLC VISION CORP UNITIZED STOCK	N/A	1,081,518	4,074
	KEY GUARANTEED PORTFOLIO FUND	N/A	2,445,153	2,564,439
	PARTICIPANT LOANS	Interest Rate - 4.250-6.000 Maturity Date - VARIOUS	215,691	215,837
	FORFEITURES	N/A	14,762	16,111