

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2010</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <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>MERCY MEMORIAL HOSPITAL SYSTEM RETIREMENT SAVINGS PLAN</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>003</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>07/02/1989</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>003</u>	1c Effective date of plan <u>07/02/1989</u>	
1b Three-digit plan number (PN) ▶	<u>003</u>				
1c Effective date of plan <u>07/02/1989</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>MERCY MEMORIAL HOSPITAL SYSTEM</u> <u>718 NORTH MACOMB STREET</u> <u>MONROE, MI 48162</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>38-1984289</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>734-240-4401</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>622000</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>38-1984289</u>	2c Sponsor's telephone number <u>734-240-4401</u>	2d Business code (see instructions) <u>622000</u>	
2b Employer Identification Number (EIN) <u>38-1984289</u>					
2c Sponsor's telephone number <u>734-240-4401</u>					
2d Business code (see instructions) <u>622000</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.	10/16/2011	THOMAS W. SCHILLING
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/16/2011	THOMAS W. SCHILLING
	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") MERCY MEMORIAL HOSPITAL SYSTEM 718 NORTH MACOMB STREET MONROE, MI 48162	3b Administrator's EIN 38-1984289 3c Administrator's telephone number 734-240-4401
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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	1325
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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	1704
b Retired or separated participants receiving benefits.....	6b	138
c Other retired or separated participants entitled to future benefits.....	6c	0
d Subtotal. Add lines 6a , 6b , and 6c	6d	1842
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	1842
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	1272
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	34

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:
 2F 2G 2L 2T

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)

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 MERCY MEMORIAL HOSPITAL SYSTEM RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500. MERCY MEMORIAL HOSPITAL SYSTEM	D Employer Identification Number (EIN) 38-1984289

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

ING LIFE INSURANCE AND ANNUITY 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
71-0294708	86509	VF6072	92	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
2560	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

CARDONE TOBIAS
2760 CENTENNIAL RD
TOLEDO, OH 43617

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
1763			3

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

TOMLIN SILBURN
3470 PASADENA DR
TROY, MI 48083

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
797			3

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

Schedule A (Form 5500) 2010
v.092308.1

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4	Current value of plan's interest under this contract in the general account at year end	4	
5	Current value of plan's interest under this contract in separate accounts at year end	5	
6	Contracts With Allocated Funds:		
a	State the basis of premium rates ▶		
b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	
e	Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity (3) ☐ other (specify) ▶		
f	If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐		
7	Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)		
a	Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee (3) ☒ guaranteed investment (4) ☐ other ▶		
b	Balance at the end of the previous year	7b	275712
c	Additions: (1) Contributions deposited during the year	7c(1)	166755
	(2) Dividends and credits	7c(2)	
	(3) Interest credited during the year	7c(3)	10241
	(4) Transferred from separate account	7c(4)	111834
	(5) Other (specify below)	7c(5)	5414
	▶ LOAN REPAYMENTS TRANSFERS ADJUSTMENTS		
	(6) Total additions	7c(6)	294244
d	Total of balance and additions (add b and c(6)).	7d	569956
e	Deductions:		
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	145828
	(2) Administration charge made by carrier	7e(2)	849
	(3) Transferred to separate account	7e(3)	148463
	(4) Other (specify below)	7e(4)	30
	▶ LOAN DISBURSEMENTS TRANSFERS ADJUSTMENTS		
	(5) Total deductions	7e(5)	295170
f	Balance at the end of the current year (subtract e(5) from d)	7f	274786

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><div>SCHEDULE A</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>	<div>Insurance Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> <div>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</div>	<div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan MERCY MEMORIAL HOSPITAL SYSTEM RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500. MERCY MEMORIAL HOSPITAL SYSTEM	D Employer Identification Number (EIN) 38-1984289	

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 METROPOLITAN LIFE 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
13-5581829	65978	32301	1191	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
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).
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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

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

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

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

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4 Current value of plan's interest under this contract in the general account at year end **4****5** Current value of plan's interest under this contract in separate accounts at year end **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **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 ▶**b** Balance at the end of the previous year **7b** 0**c** Additions: (1) Contributions deposited during the year **7c(1)** 7542990(2) Dividends and credits **7c(2)** 0(3) Interest credited during the year **7c(3)** 68101(4) Transferred from separate account **7c(4)** 595412(5) Other (specify below) **7c(5)** 0

▶

(6) Total additions **7c(6)** 8206503**d** Total of balance and additions (add **b** and **c(6)**). **7d** 8206503**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 0(2) Administration charge made by carrier **7e(2)** 0(3) Transferred to separate account **7e(3)** 462150(4) Other (specify below) **7e(4)** 0

▶

(5) Total deductions **7e(5)** 462150**f** Balance at the end of the current year (subtract **e(5)** from **d**) **7f** 7744353

Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:

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

10 Nonexperience-rated contracts:

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

Specify nature of costs ▶

Part IV Provision of Information

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

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

SCHEDULE C (Form 5500) 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 MERCY MEMORIAL HOSPITAL SYSTEM RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 MERCY MEMORIAL HOSPITAL SYSTEM	D Employer Identification Number (EIN) 38-1984289

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
CHARLES SCHWAB & CO., INC.
94-1737782

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

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

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

SCHWAB RETIREMENT PLAN SERVICES INC

34-1479833

(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 50 64	NONE	65048	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

CHESME CAPITAL MANAGEMENT

20-0061957

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 50	NONE	24485	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

METROPOLITAN LIFE INSURANCE CO

13-5581829

(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?
50 52 62 64 73	NONE	14781	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

ING LIFE INSURANCE AND ANNUITY COMP

71-0294708

(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?
60 64 65 66 72	NONE	967	Yes ☒ No ☐	Yes ☒ No ☐	16797	Yes ☐ No ☒

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

ING MUTUAL FUNDS

95-4516049

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 52 63	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	5214	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
ING LIFE INSURANCE AND ANNUITY COMP	60 66	2006
(d) Enter name and EIN (address) of source of indirect compensation		
FIDELITY VIP CONTRAFUND PORTFOLIO	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. INSURANCE MORTALITY AND EXPENSE CHARGE TRANSFER AND REIMBURSEMENT FEE	
04-3247643		
(a) Enter service provider name as it appears on line 2		
ING LIFE INSURANCE AND ANNUITY COMP	64	1024
(d) Enter name and EIN (address) of source of indirect compensation		
ING FIXED ACCOUNT	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. RECORDKEEPING FEES	
71-0294708		
(a) Enter service provider name as it appears on line 2		
ING LIFE INSURANCE AND ANNUITY COMP	60 65 66	1411
(d) Enter name and EIN (address) of source of indirect compensation		
ING SOLUTION 2035 PORTFOLIO	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. INSURANCE MORTALITY AND EXPENSE CHARGE TRANSFER AND REIMBURSEMENT FEE ACCOUNT MAINTENANCE FEE	
20-2456104		

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:	DELOITTE & TOUCHE LLP	b EIN:	13-3891517
c Position:	ACCOUNTANT		
d Address:	600 RENAISSANCE CENTER SUITE 900 DETROIT, MI 48243-1895	e Telephone:	313-396-3000

Explanation: ELECTED TO TRANSITION TO A NEW AUDITOR

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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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
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For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>		
A Name of plan <u>MERCY MEMORIAL HOSPITAL SYSTEM RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MERCY MEMORIAL HOSPITAL SYSTEM</u>	D Employer Identification Number (EIN) <u>38-1984289</u>	

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)	640435	1386369
(2) Participant contributions	1b(2)	49	
(3) Other	1b(3)	14085	
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	85494	
(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)	1273235	1353796
(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)	40797127	44184281
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	8120983	9145653

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	50931408	56070099

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	39515	32319
k Total liabilities (add all amounts in lines 1g through 1j)	1k	39515	32319

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	50891893	56037780
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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)	1386499	
(B) Participants	2a(1)(B)	2859104	
(C) Others (including rollovers)	2a(1)(C)	17235	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		4262838

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)	70957	
(F) Other	2b(1)(F)	229795	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		300752

(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)	1141082	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1141082

(3) Rents	2b(3)		
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(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)	70725	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		70725
(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)		4592516
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		10367913

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	5139778	
(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)		5139778
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	36816	
(4) Other	2i(4)	45432	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		82248
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		5222026

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		5145887
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: PLANTE & MORAN, PLLC

(2) EIN: 38-1357951

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

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

5b(1) Name of plan(s)

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.

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

A Name of plan <u>MERCY MEMORIAL HOSPITAL SYSTEM RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MERCY MEMORIAL HOSPITAL SYSTEM</u>	D Employer Identification Number (EIN) <u>38-1984289</u>

Part I	Distributions
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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
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>42-1558009</u> <u>13-5581829</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 <u>89</u>

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)
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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
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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
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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): _____

Mercy Memorial Hospital System Retirement Savings Plan

**Financial Report
December 31, 2010**

Mercy Memorial Hospital System Retirement Savings Plan

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Independent Auditor's Report

To the Plan Administrator
Mercy Memorial Hospital System Retirement
Savings Plan

We were engaged to audit the financial statements and supplemental schedule of Mercy Memorial Hospital System Retirement Savings Plan (the "Plan") as of December 31, 2010 and for the year then ended, as listed in the accompanying table of contents. These financial statements and supplemental schedule are the responsibility of the Plan's management. The financial statements of Mercy Memorial Hospital System Retirement Savings Plan, as of and for the year ended December 31, 2009, were audited by other auditors, whose report dated January 18, 2011 disclaimed an opinion as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Additionally, those financial statements included a scope limitation paragraph due to the Plan not maintaining sufficient accounting records and supporting documents relating to contracts and custodial accounts issued to current and former employees prior to January 1, 2009.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Charles Schwab Trust Company (CSTC), ING Life Insurance and Annuity Company (ING), and Metropolitan Life Insurance Company (MetLife), as agent for Reliance Trust Company (Reliance), except for comparing such information with the related information included in the 2010 financial statements and supplemental schedule. We have been informed by the plan administrator that CSTC, ING, and Reliance hold the Plan's investment assets and participant notes receivable and execute related transactions. The plan administrator has obtained certifications from CSTC, ING, and MetLife, as agent for Reliance, as of and for the year ended December 31, 2010, that the information provided to the plan administrator by CSTC, ING, and MetLife is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying 2010 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 CSTC, ING, and MetLife, 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.

Plante & Moran, PLLC

Southfield, Michigan
October 4, 2011

Mercy Memorial Hospital System

Retirement Savings Plan

Statement of Net Assets Available for Benefits

	December 31, 2010	December 31, 2009
Assets		
Participant-directed investments - At fair value	\$ 53,473,134	\$ 49,003,604
Contributions receivable:		
Employee	-	49
Employer	1,386,369	640,435
Total contributions receivable	1,386,369	640,484
Participant notes receivable	1,353,796	1,273,235
Accrued interest and dividends	-	14,085
Total assets	56,213,299	50,931,408
Liabilities - Accrued administrative expenses	32,319	39,515
Net Assets Reflecting All Investments at Fair Value	56,180,980	50,891,893
Adjustments from Fair Value to Contract Value for Fully Benefit-responsive Investment Contracts	(143,200)	70,725
Net Assets Available for Benefits	\$ 56,037,780	\$ 50,962,618

Mercy Memorial Hospital System

Retirement Savings Plan

Statement of Changes in Net Assets Available for Benefits Year Ended December 31, 2010

Additions to Net Assets

Contributions:

Employee	\$ 2,859,104
Employer	1,386,499
Rollovers	<u>17,235</u>

Total contributions	4,262,838
---------------------	-----------

Investment income:

Interest and dividends	1,370,877
Net realized and unrealized gains on investments:	
Mutual funds	4,456,448
Pooled separate accounts	<u>136,068</u>

Net realized and unrealized gains	<u>4,592,516</u>
-----------------------------------	------------------

Total investment income	5,963,393
-------------------------	-----------

Interest from participant notes receivable	<u>70,957</u>
--	---------------

Total additions	10,297,188
-----------------	------------

Deductions from Net Assets

Benefits paid directly to participants or beneficiaries	5,139,778
Administrative expenses	<u>82,248</u>

Total deductions	<u>5,222,026</u>
------------------	------------------

Net Increase	5,075,162
---------------------	-----------

Net Assets Available for Benefits

Beginning of year	<u>50,962,618</u>
End of year	<u>\$ 56,037,780</u>

Mercy Memorial Hospital System Retirement Savings Plan

Notes to Financial Statements December 31, 2010 and 2009

Note 1 - Plan Description

The following description of Mercy Memorial Hospital Retirement Savings Plan (the "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 eligible employees of Mercy Memorial Hospital Corporation (the "Corporation"). The Retirement Committee of the Board of Trustees (Board) of the Corporation controls and manages the operation and administration of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan was previously named Mercy Memorial Hospital Employees' Tax Deferred Retirement Savings Plan. The plan document, which was restated in 1991, provided employer matching contributions to employee elective contributions.

Prior to 2009, the Corporation also sponsored a defined contribution plan for the Monroe Community Health Services (MCHS) eligible employees. In 2009, the Plan was renamed and restated and the Corporation merged its two plans, Monroe Community Health Services Inc. Retirement Savings Plan for eligible MCHS employees with Mercy Memorial Hospital Employees' Tax Deferred Retirement Savings Plan for eligible Hospital employees.

ING Life Insurance and Annuity Company (ING) continues to serve as the custodian for the plan assets of eligible MCHS employees. Charles Schwab Trust Company (CSTC) served as the custodian for the assets of the eligible Hospital employees until Reliance Trust Company (Reliance) replaced CSTC in September 2010. Reliance is the Plan's trustee. Metropolitan Life Insurance Company (MetLife) is the recordkeeper and acts as agent for Reliance.

Contributions - The Plan provides for employee salary contributions up to a maximum of \$16,500 of the annual compensation subject to maximum tax-deferred limitations established by the Internal Revenue Code. Effective August 1, 2009, the Corporation modified the Plan, making the Corporation's contribution a discretionary contribution based on a percentage of each participant's elective contribution as determined by the Corporation's Board. No such additional discretionary matching contributions were made for the year ended December 31, 2010.

Mercy Memorial Hospital System Retirement Savings Plan

Notes to Financial Statements December 31, 2010 and 2009

Note 1 - Plan Description (Continued)

Effective on and after October 1, 2009, the employer nonelective contribution will be a uniform percentage of compensation (as defined in the Plan) as determined on or before the last day of the plan year at the discretion of the Mercy Memorial Hospital Corporation Board of Trustees. The Board approved a 3 percent (3 1/2 percent for employees with 15 years or greater) nonelective contribution for calendar year 2010. MCHS employees are not eligible for nonelective contributions under the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

Participant Accounts - Individual accounts are maintained for each plan participant. Each participant's account is credited with the participant's contribution, the Corporation's matching contribution, allocations of the Corporation's discretionary nonelective contributions, and plan earnings, and charged with withdrawals and an allocation of plan losses and administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Participants may direct the investments of their account balances into various investment options offered by the Plan.

Vesting - Participants are vested immediately in their contributions, plus actual earnings thereon. Vesting in the Corporation's contribution portion of their accounts is based on years of continuous service.

Participants hired before October 1, 2009, who are eligible for employer nonelective contributions, are 100 percent vested after three years and immediately vested in employer matching contributions.

Participants hired after September 30, 2009 who are eligible for employer nonelective contributions and employer matching contributions are vested 20 percent after their first year of service and 20 percent each successive year through year five, when they are fully vested.

Participant Notes Receivable - Participants may borrow from their accounts up to a maximum of \$50,000 or 50 percent of the nonforfeitable accrued benefit, whichever is less. Notes receivable are collateralized by the participant's account balance and bear interest at rates commensurate with local prevailing rates at the time funds are borrowed, as determined quarterly by CSTC, ING, and Reliance. Principal and interest are paid either ratably through payroll deductions or by direct payments from participants to either CSTC, ING, or Reliance.

Mercy Memorial Hospital System

Retirement Savings Plan

Notes to Financial Statements

December 31, 2010 and 2009

Note 1 - Plan Description (Continued)

Benefit Payments - Distributions are payable upon the retirement, death, disability, termination of employment, or attainment of age 59 1/2 in the form of either a lump-sum amount equal to the vested balance of a participant's account, equal or substantially equal installments over a specified period that may not exceed the participant's life expectancy, or equal payments over the life of the participant and/or the lives of the participant and his designated beneficiary.

Hardship withdrawals are permitted under the Plan for a participant's employee elective contributions to the extent permitted by terms in the plan document.

Forfeitures - If a participant is not fully vested on his or her termination date, the nonvested amount of the account is forfeited. Forfeitures are used to reduce future employer contributions or pay plan expenses. At December 31, 2010 and 2009, forfeited account balances totaled \$114,285 and \$23,660, respectively.

Termination - While it has not expressed any intent to do so, the Corporation has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in the plan document and ERISA. Upon termination of the Plan, participants become 100 percent vested in their account balances.

Note 2 - Summary of Significant Accounting Policies

Investment Valuation - The Plan's investments are stated at fair value, except for the guaranteed investment contracts, which are valued at contract value. Contract value represents investments at cost plus accrued interest income less amounts withdrawn to pay benefits. The fair value of the guaranteed investment contracts is based on discounting the related cash flows of the underlying guaranteed investment contracts based on current yields of similar instruments with comparable durations. The ING fixed account guaranteed investment contract is at contract value, which approximates fair value. The pooled separate accounts are valued at net asset value per share (or its equivalent) of the funds, which are based on the fair value of the funds' underlying assets. The money market fund within the self-directed brokerage account is valued at its outstanding balance, which approximates fair value. All other investments are valued based on quoted market prices. See Note 4 for additional information.

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

Mercy Memorial Hospital System

Retirement Savings Plan

Notes to Financial Statements

December 31, 2010 and 2009

Note 2 - Summary of Significant Accounting Policies (Continued)

Participant Notes Receivable - Participant notes receivable are recorded at their unpaid principal balances plus any accrued interest. Participant notes receivable are written off when deemed uncollectible.

Administrative Expenses - Various administrative costs are paid by the Corporation.

Benefit Payments - Benefits are recorded when paid.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties - The Plan invests in various investment securities, including mutual funds and investment contracts. 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 statement of net assets available for benefits.

New Accounting Pronouncement - During 2010, the Plan adopted the provisions of a new accounting standard which requires that defined contribution plans classify participant loans as participant notes receivable rather than as investments as was previously required. This standard was adopted retroactively and, as a result, the December 31, 2009 participant loans have been reclassified from investments to participant notes receivable. The adoption of this standard had no impact on the Plan's net assets or changes in net assets.

Restatement - During 2010, it was determined that investments previously classified as Level 2 investments should have been classified as Level 3 based on the fair value hierarchy. Accordingly, the 2009 fair value disclosure has been restated.

Subsequent Events - The financial statements and related disclosures include evaluation of events up through and including October 4, 2011, which is the date the financial statements were available to be issued.

Mercy Memorial Hospital System

Retirement Savings Plan

Notes to Financial Statements December 31, 2010 and 2009

Note 3 - Unaudited Information

In 2010, the Plan changed trustees from CSTC to Reliance. CSTC, ING, and Reliance held the Plan's investments and participant notes receivable and executed all related transactions during the periods under audit. MetLife, as agent for Reliance, has certified investment balances and related investment income held by Reliance. The investment and participant notes receivable balances and related income and losses included in the accompanying financial statements and supplemental schedule of assets held at end of year are based solely on information provided by and certified by CSTC, ING, and MetLife.

Significant investments at the end of the year are as follows:

	2010	2009
Principal Guaranteed Investments Contracts -		
MetLife Stable Value Plus Account	\$ 7,744,353	\$ 6,961,312
Investments at fair value:		
PIMCO Total Return A	6,760,396	-
Jensen Portfolio - J	5,564,678	-
Loomis Sayles Value Y	5,134,781	-
Columbia Large Cap Index Z	4,844,982	-
DFA Intermediate Govt Fixed-Income Fund	-	5,154,186
American Funds Growth Fund	-	4,957,931
Dodge & Cox Stock Fund	-	4,773,613
Schwab S&P 500 Index Fund	-	4,565,974

Note 4 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Plan's assets measured at fair value on a recurring basis at December 31, 2010 and 2009 and the valuation techniques used by the Plan to determine those fair values.

Level 1 - In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Plan has the ability to access.

Level 2 - Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Mercy Memorial Hospital System

Retirement Savings Plan

Notes to Financial Statements

December 31, 2010 and 2009

Note 4 - Fair Value Measurements (Continued)

Level 3 - Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Assets Measured at Fair Value on a Recurring Basis at December 31, 2010

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2010
Mutual funds:				
Domestic equity funds	\$ 24,814,455	\$ -	\$ -	\$ 24,814,455
Retirement-year based funds	374,251	-	-	374,251
International equity funds	6,817,082	-	-	6,817,082
Fixed-income funds	10,784,957	-	-	10,784,957
Specialty/Other funds	1,070,795	-	-	1,070,795
Self-directed brokerage account:				
Mutual funds - Fixed-income funds	75,102	-	-	75,102
Mutual funds - Equity funds	234,994	-	-	234,994
Short-term fund (1)	-	12,645	-	12,645
Guaranteed investment contracts:				
ING fixed account investment funds	-	-	274,786	274,786
MetLife Stable Value Plus Account (2)	-	7,887,553	-	7,887,553
Pooled separate accounts:				
Equity funds (3)	-	802,924	-	802,924
Fixed-income funds (4)	-	138,602	-	138,602
Retirement-year based funds (5)	-	140,317	-	140,317
Balanced funds (5)	-	44,671	-	44,671
Total	\$ 44,171,636	\$ 9,026,712	\$ 274,786	\$ 53,473,134

Mercy Memorial Hospital System

Retirement Savings Plan

Notes to Financial Statements

December 31, 2010 and 2009

Note 4 - Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Recurring Basis at December 31, 2009

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2009
Mutual funds:				
Cash and cash equivalents	\$ 85,494	\$ -	\$ -	\$ 85,494
Domestic equity funds	23,408,764	-	-	23,408,764
Retirement-year based funds	738,966	-	-	738,966
International equity funds	5,552,442	-	-	5,552,422
Fixed-income funds	10,018,321	-	-	10,018,321
Specialty/Other funds	1,078,654	-	-	1,078,654
Guaranteed investment contracts:				
ING fixed account investment funds	-	-	275,712	275,712
MetLife Stable Value Plus Account (2)	-	6,890,587	-	6,890,587
Pooled separate accounts:				
Equity funds (3)	-	691,588	-	691,588
Fixed-income funds (4)	-	117,199	-	117,199
Retirement-year based funds (5)	-	108,376	-	108,376
Balanced funds (5)	-	37,521	-	37,521
Total	<u>\$ 40,882,641</u>	<u>\$ 7,845,271</u>	<u>\$ 275,712</u>	<u>\$ 49,003,604</u>

- (1) This class invests primarily in fixed-income securities, including, but not limited to, bonds, notes, or other investments, such as government securities; commercial paper, certificates of deposits, master notes or variable amount notes, with the objective of providing high current income consistent with the preservation of capital and the maintenance of liquidity. Short-term investments are valued at \$1.00/unit, which approximates fair value.
- (2) This class represents investments in a guaranteed investment contract that invests primarily in a variety of fixed-income investments which may include U.S. government and agency securities, publicly traded mortgage and asset-backed securities (including collateralized mortgage obligations), Yankee securities, public corporate debt (including capital securities), cash equivalents, and wrapper contracts.
- (3) This class represents investments in actively pooled separate accounts that invest primarily in equity securities which may include common stocks, options, and futures.
- (4) This class represents investments in actively managed pooled separate accounts that invest in a variety of fixed-income investments which may include corporate bonds, both U.S. and non-U.S. municipal securities, interest rate swaps, options, and futures.

Mercy Memorial Hospital System

Retirement Savings Plan

Notes to Financial Statements

December 31, 2010 and 2009

Note 4 - Fair Value Measurements (Continued)

- (5) This class represents investments in actively managed pooled separate accounts with investments in both equity and debt securities. The investments may include common stock, corporate bonds, U.S. and non-U.S. municipal securities, interest rate swaps, options, and futures.

The Plan's policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event of change in circumstances that caused the transfer. There were no significant transfers between levels of the fair value hierarchy during 2010.

Changes in Level 3 assets measured at fair value on a recurring basis for the year ended December 31, 2010 is as follows:

	Guaranteed Investment Contract - ING Fixed Account Investment Funds
Balance at January 1, 2010	\$ 275,712
Net purchases, issuances, sales, settlements	(926)
Balance at December 31, 2010	<u>\$ 274,786</u>
	Guaranteed Investment Contract - ING Fixed Account Investment Funds
Balance at January 1, 2009	\$ 261,136
Net purchases, issuances, sales, settlements	14,576
Balance at December 31, 2009	<u>\$ 275,712</u>

Mercy Memorial Hospital System Retirement Savings Plan

Notes to Financial Statements December 31, 2010 and 2009

Note 5 - Guaranteed Investment Contracts

ING Guaranteed Investment Contract

The Plan has fully benefit-responsive guaranteed investment contracts with ING. ING maintains the contributions in its general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. ING is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. There are no reserves against contract value for credit risk of ING or otherwise. The crediting interest rates are based on a formula agreed upon with ING and will not be less than 2.25 to 2.70 percent, depending on the contract. Such interest rates are reviewed on a periodic basis for resetting.

The average yield for the various guaranteed investment contracts, based on actual earnings and on interest rates credited to participants, was 3.00 percent for 2010 and 2009.

MetLife Guaranteed Investment Contract

The Plan holds a fully benefit-responsive guaranteed investment contract (GIC) with MetLife, which maintains the contributions. This GIC provides a guarantee of both principal and interest for participant-initiated withdrawals. The guaranteed rate at December 31, 2010 was 3 percent while the year-to-date annualized credited rate was 2.19 percent. The guaranteed rate at December 31, 2009 was 1.5 percent, while the year-to-date annualized credited rate was 2.23 percent. On January 1, 2012 and every January 1 thereafter, MetLife will declare a new interest rate to be credited to the guaranteed value. The interest rate will be based upon the current market value, approximate market yield-to-maturity of the fund's benchmark index, expected payments into and out of the fund, amortization of the difference between the market value and the guaranteed value, and the anticipated charges and fees paid under the contract. This GIC is included in the financial statements at fair value and then adjusted to contract value. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Each month a contract charge will be deducted from the fund to cover the investment management fees, custodial fees, risk charges, and contract administrative expenses. Transfers and withdrawals from the account are subject to the limitations provided under Section 403(b) (11) of the IRS Code.

Mercy Memorial Hospital System Retirement Savings Plan

Notes to Financial Statements December 31, 2010 and 2009

Note 5 - Guaranteed Investment Contracts (Continued)

ING and MetLife Guaranteed Investment Contracts

Certain events limit the ability of the Plan to transact at contract value with ING and MetLife (collectively, the "contract issuers"). Such events include the following: (i) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (ii) changes to the Plan's prohibition on competing investment options, (iii) bankruptcy of the Plan Sponsor or other Plan Sponsor events (e.g., divestitures or spin-offs of a subsidiary) which cause a significant withdrawal from the Plan, or (iv) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. 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 probable.

The guaranteed investment contracts do not permit the contract issuers to terminate the contracts prior to the scheduled maturity date. If an event of default occurs and is not cured, the non-defaulting party may terminate the contract. The following may cause the Plan to be in default: a breach of material obligation under the contracts; a material misrepresentation; or a material amendment to the plan agreement. The contract issuers may be in default if they breach a material obligation under the guaranteed investment contracts; make a material misrepresentation; have a decline in their long-term credit rating below a threshold set forth in the contracts; or are acquired or reorganized and the successor contract issuer does not satisfy the investment or credit guidelines applicable to the contract issuer. If, in the event of default of the contract issuers, the Plan were unable to obtain a replacement guaranteed investment contract, withdrawing plans may experience losses if that value of the Plan's assets no longer covered by the contract is below contract value. The Plan may seek to add additional contract issuers over time to diversify the Plan's exposure to such risk, but there is no assurance the Plan may be able to do so. The combination of the default of the contract issuers and an inability to obtain a replacement agreement could render the Plan unable to achieve its objective of maintaining a stable contract value. The terms of the guaranteed investment contracts generally provide for settlement of payments only upon termination of the contracts or total liquidation of the covered investments.

Mercy Memorial Hospital System

Retirement Savings Plan

Notes to Financial Statements December 31, 2010 and 2009

Note 5 - Guaranteed Investment Contracts (Continued)

Generally, payments will be made pro rata, based on the percentage of investments covered by the contract issuers. Contract termination occurs whenever the contract value or market value of the covered investments reaches zero or upon certain events of default. If the contract terminates due to the contract issuers' default (other than a default occurring because of a decline in its rating), the contract issuers will generally be required to pay to the Plan the excess, if any, of contract value over market value on the date of termination. If the contract terminates when the market value equals zero, the contract issuers will pay the excess of contract value over market value to the Plan to the extent necessary for the Plan to satisfy outstanding contract value withdrawal requests. Contract termination also may occur by any party upon election and notice.

Because the guaranteed investment contracts are fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets attributable to the guaranteed investment contracts. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

Note 6 - Party-in-interest Transactions

Certain Plan investments are shares of mutual funds managed by CSTC, ING, and MetLife or their affiliates. CSTC and ING are custodians of the Plan and MetLife is recordkeeper as defined by the Plan and these transactions qualify as party-in-interest transactions. Fees paid by the Plan for investment management services were included as a reduction of the return earned on each fund.

Note 7 - Reconciliation to Form 5500

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

	2010	2009
Net assets available for benefits per the financial statements	\$ 56,037,780	\$ 50,962,618
Adjustment from contract value to fair value for fully benefit-responsive investment contract	-	(70,725)
Net assets available for benefits per Form 5500	<u>\$ 56,037,780</u>	<u>\$ 50,891,893</u>
		2010
Increase in net assets per the financial statements		\$ 5,075,162
Adjustment from contract value to fair value for fully benefit-responsive investment contract - December 31, 2009		<u>70,725</u>
Net income per Form 5500		<u>\$ 5,145,887</u>

Mercy Memorial Hospital System Retirement Savings Plan

Notes to Financial Statements December 31, 2010 and 2009

Note 8 - Tax Status

The Internal Revenue Service (IRS) is not currently accepting applications for 403(b) plan determination letters. The plan administrator has indicated the Plan will apply for a determination letter when the IRS allows such applications to be made. The plan administrator believes that the Plan is designed and is currently being operated in compliance with applicable requirements of Internal Revenue Code Section 403(b). Therefore, no provision for income taxes has been included in the Plan's financial statements.

Note 9 - Subsequent Events

Subsequent to year end, the Board elected to reinstate the employer matching contribution for employee contributions made on or after August 1, 2011 in an amount equal to \$.50 for each \$1 of the employee contributions, not to exceed 4 percent of the participant's eligible compensation, resulting in a maximum 2 percent matching contribution.

Subsequent to year end, the Plan's investment portfolio has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

Mercy Memorial Hospital System

Retirement Savings Plan

Schedule of Assets Held at End of Year Form 5500, Schedule H, Line 4i EIN 38-1984289, Plan No. 002 December 31, 2010

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Metropolitan Life Insurance Company	Mutual funds:		
	T.Rowe Price Retirement 2005 Adv	*	\$ 2,388
	T.Rowe Price Retirement 2010 Adv	*	2,911
	T.Rowe Price Retirement 2015 Adv	*	179,611
	T.Rowe Price Retirement 2020 Adv	*	47,387
	T.Rowe Price Retirement 2025 Adv	*	12,367
	T.Rowe Price Retirement 2030 Adv	*	48,060
	T.Rowe Price Retirement 2035 Adv	*	25,288
	T.Rowe Price Retirement 2040 Adv	*	8,922
	T.Rowe Price Retirement 2045 Adv	*	27,754
	T.Rowe Price Retirement 2050 Adv	*	17,322
	T.Rowe Price Retirement 2055 Adv	*	1,942
	T. Rowe Price Retirement Income Adv	*	299
	American Funds EuroPacific Growth Fund R3	*	2,185,146
	BlackRock Global Allocation A	*	655,211
	First Eagle Overseas Fund	*	1,793,595
	Oppenheimer Developing Market Fund A	*	2,111,068
	Vanguard Total Inst. Stock Index Inv.	*	72,062
	BlackRock Natural Resources A	*	308,843
	BlackRock Science and Technology Opp Inv A	*	14,108
	Morgan Stanley Inst. US Real Estate P	*	281,516
	T. Rowe Health Sciences Fund	*	466,328
	DWS Dreman	*	1,858,961
	Eagle Small Cap Growth Fund	*	102,120
	Royce 100 Svc	*	1,857,203
	Vanguard Small-Cap Index Fund - Inv	*	261,444
	Hartford Midcap Y	*	2,098,586
	Perkins Mid Cap Value Fund T	*	1,980,092
	Vanguard Mid Cap Index Fund	*	207,471
	Victory Special Value Fund A	*	903,949
	Columbia Large Cap Index Z	*	4,844,982
	Davis New York Venture Fund A	*	188
	Jensen Portfolio - J	*	5,564,678
	Loomis Sayles Value Y	*	5,134,781
	JP Morgan High Yield Bond A	*	1,167,790
	PIMCO Foreign Bond (Unhedged) A	*	1,214,136
	PIMCO Real Return Fund R	*	1,431,538
	PIMCO Total Return A	*	6,760,396
	Vanguard Total Bond Market Index Fund	*	211,097
	Self-directed brokerage account	*	322,741

Mercy Memorial Hospital System

Retirement Savings Plan

Schedule of Assets Held at End of Year (Continued)

Form 5500, Schedule H, Line 4i
EIN 38-1984289, Plan No. 002
December 31, 2010

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
ING Life Insurance and Annuity Company	Pooled separate accounts:		
	ING Growth and Income Port I	*	\$ 12,421
	ING Intermediate Bond Port I	*	67,715
	ING Balanced Portfolio I	*	16,908
	ING Strategic Alloc Moderate Port I	*	2,240
	ING Index Plus LargeCap Portfolio I	*	17,799
	ING Small Company Portfolio I	*	3,125
	ING BlkRck Sci & Tech Oppt Prt I	*	2
	ING Index Plus SmallCap Portfolio I	*	5,942
	ING Index Plus MidCap Portfolio I	*	24,776
	Franklin Sm Cap Val Sec Fd - 2	*	4,680
	Lord Abbett Series Fd MdCp VI Prt VC	*	1
	Invesco V.I. Capital Aprec Fnd SI	*	514
	Invesco V.I. Core Equity Fund SI	*	602
	ING SmallCap Opportunities Prt I	*	7,430
	ING MidCap Opportunities Port I	*	8,190
	ING Thornburg Value Portfolio I	*	1,933
	ING UBS U.S. Lrg Cap Eqty Port I	*	1,536
	ING LgMason ClrBrdg Agg Grw Prt I	*	1,849
	Fidelity VIP Overseas Portfolio I	*	2,578
	Videlity VIP Eqty-Income Port I	*	47,699
	Fidelity VIP Growth Portfolio I	*	26,126
	Fidelity VIP Contrafund Port I	*	162,678
	Templeton Global Bond Fund - A	*	42,386
	Oppenheimer Developing Markets Fnd A	*	20,793
	Pax World Balanced Fd Indiv Inv	*	17,043
	ING International Value Port I	*	23,975
	ING Davis New York Venture Port Srv	*	19,786
	ING Oppenhrmr Global Port I	*	15,824
	ING JPMorgan Md Cp Val Portfolio Srv	*	1
	ING Van Kampen Comstock Port Srv	*	49
	ING PIMCO Total Return Portfolio Srv	*	20,221
	ING TRowePrc Divrsd MdCp Gr Pt I	*	11,035
	ING Van Kampen Eqty and Inc Port I	*	36,775
	American Funds Growth Fnd R4	*	8,584
	American Funds EuroPacific R4	*	47,433
	ING MFS Total Return Portfolio Srv	*	7,779
	ING Solution 2015 Portfolio Srv	*	338
	ING Solution 2025 Portfolio Srv	*	33,352

Mercy Memorial Hospital System

Retirement Savings Plan

Schedule of Assets Held at End of Year (Continued)

Form 5500, Schedule H, Line 4i
EIN 38-1984289, Plan No. 002
December 31, 2010

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
ING Life Insurance and Annuity Company	Pooled separate accounts (Continued):		
	ING Solution 2035 Portfolio Srv	*	\$ 106,564
	ING Solution 2045 Portfolio Srv	*	63
	ING JPMorgan Emrg Mkts Eq Port Srv	*	17,497
	ING TRowePrc Captl Apprec Port Srv	*	30,056
	ING Van Kampen Grw & Inc Port Srv	*	1,506
	American Funds Nw Prspctv R4	*	2,638
	American Funds Wash Mtual R4	*	13,172
	Wanger Select	*	4,460
	ING Artio Foreign Portfolio Srv	*	26,582
	PIMCO VIT Real Return Portfolio Adm	*	3,613
	Pioneer High Yield VCT Port - I	*	701
	American Funds Bond Fd Am R4	*	1,200
	ING Clarion Real Estate Port Srv	*	20,202
	Loomis Sayles Sm Cp Value Fnd Ret	*	1,116
	Neuberger Berman Socially Resp - Tr	*	6,528
	ING Lord Abbett Grw & Inc Port Inst	*	39,472
	ING Pioneer Equity Income Port Inst	*	26,836
	ING Pioneer Mid Cap Value Port Inst	*	62,495
	Pioneer Emerging Markets VCT Port-I	*	197
	ING International Index Port I	*	6,290
	ING U.S. Bond Index Portfolio I	*	3,467
	ING Russell Lrg Cap Index Port I	*	5,125
	ING Templeton Foreign Eqty Port I	*	4,366
	ING BlackRock Lrg Cp Grw Port Inst	*	10,528
	ING Global Resources Portfolio Srv	*	9,722
ING Life Insurance and Annuity Company	Guaranteed investment contracts:		
	ING Fixed Account	*	184,935
	ING Short Term GAA	*	793
	ING Long Term GAA	*	1,656
	ING Fixed Plus Account	*	87,402
Metropolitan Life Insurance Company	MetLife Stable Value Plus Account	*	7,744,353
Participants	Participant notes receivable - Maturing through 2021 at interest rates 1% - 9.25%	-	1,353,796
Total			<u><u>\$ 54,683,730</u></u>

* Cost information not required

Mercy Memorial Hospital System

Retirement Savings Plan

Schedule of Assets Held at End of Year

Form 5500, Schedule H, Line 4i

EIN 38-1984289, Plan No. 002

December 31, 2010

(a)(b) Identity of Issuer	(c) Description of Investment	(d) Cost	(e) Current Value
Metropolitan Life Insurance Company	Mutual funds:		
	T.Rowe Price Retirement 2005 Adv	*	\$ 2,388
	T.Rowe Price Retirement 2010 Adv	*	2,911
	T.Rowe Price Retirement 2015 Adv	*	179,611
	T.Rowe Price Retirement 2020 Adv	*	47,387
	T.Rowe Price Retirement 2025 Adv	*	12,367
	T.Rowe Price Retirement 2030 Adv	*	48,060
	T.Rowe Price Retirement 2035 Adv	*	25,288
	T.Rowe Price Retirement 2040 Adv	*	8,922
	T.Rowe Price Retirement 2045 Adv	*	27,754
	T.Rowe Price Retirement 2050 Adv	*	17,322
	T.Rowe Price Retirement 2055 Adv	*	1,942
	T. Rowe Price Retirement Income Adv	*	299
	American Funds EuroPacific Growth Fund R3	*	2,185,146
	BlackRock Global Allocation A	*	655,211
	First Eagle Overseas Fund	*	1,793,595
	Oppenheimer Developing Market Fund A	*	2,111,068
	Vanguard Total Inst. Stock Index Inv.	*	72,062
	BlackRock Natural Resources A	*	308,843
	BlackRock Science and Technology Opp Inv A	*	14,108
	Morgan Stanley Inst. US Real Estate P	*	281,516
	T. Rowe Health Sciences Fund	*	466,328
	DWS Dreman	*	1,858,961
	Eagle Small Cap Growth Fund	*	102,120
	Royce 100 Svc	*	1,857,203
	Vanguard Small-Cap Index Fund - Inv	*	261,444
	Hartford Midcap Y	*	2,098,586
	Perkins Mid Cap Value Fund T	*	1,980,092
	Vanguard Mid Cap Index Fund	*	207,471
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Mercy Memorial Hospital System

Retirement Savings Plan

Schedule of Assets Held at End of Year (Continued)

Form 5500, Schedule H, Line 4i
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Mercy Memorial Hospital System

Retirement Savings Plan

Schedule of Assets Held at End of Year (Continued)

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