

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

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>PARAGON MEDICAL INC. 401K 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>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1997</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1997</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/1997</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>PARAGON MEDICAL INC.</u> <u>8 MATCHETT INDUSTRIAL PARK DRIVE</u> <u>PIERCETON, IN 46562</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>35-1831457</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>574-594-2140</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>339110</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>35-1831457</u>	2c Sponsor's telephone number <u>574-594-2140</u>	2d Business code (see instructions) <u>339110</u>	
2b Employer Identification Number (EIN) <u>35-1831457</u>					
2c Sponsor's telephone number <u>574-594-2140</u>					
2d Business code (see instructions) <u>339110</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.	10/17/2011	JENNIFER HLUTKE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2011	JENNIFER HLUTKE
	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") PARAGON MEDICAL INC. 8 MATCHETT INDUSTRIAL PARK DRIVE PIERCETON, IN 46562	3b Administrator's EIN 35-1831457 3c Administrator's telephone number 574-594-2140
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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	401
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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	596
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	71
d Subtotal. Add lines 6a , 6b , and 6c	6d	667
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	667
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	393
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2F 2G 2J 2K 2T 3D 3H

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010	
A Name of plan PARAGON MEDICAL INC. 401K PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500. PARAGON MEDICAL INC.	D Employer Identification Number (EIN) 35-1831457

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
AMERICAN UNITED 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
35-0145825	60895	G35975	393	04/01/2010	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).

(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	1382127
5 Current value of plan's interest under this contract in separate accounts at year end	5	9520912

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 ▶ **GROUP ANNUITY CONTRACT**

b Balance at the end of the previous year	7b	0
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c Additions: (1) Contributions deposited during the year	7c(1)	242596	
	7c(2)		
	7c(3)	23264	
	7c(4)	115755	
	7c(5)	1367875	
▶ TRANSFER FROM OUTSIDE SOURCE LOAN REPAYMENT			

(6) Total additions	7c(6)	1749490
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d Total of balance and additions (add b and c(6))	7d	1749490
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	145041	
(2) Administration charge made by carrier	7e(2)	411	
(3) Transferred to separate account	7e(3)	207769	
(4) Other (specify below)	7e(4)	14142	

▶ **LOAN ISSUE**

(5) Total deductions	7e(5)	367363
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f Balance at the end of the current year (subtract e(5) from d)	7f	1382127
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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 PARAGON MEDICAL INC. 401K PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 PARAGON MEDICAL INC.	D Employer Identification Number (EIN) 35-1831457

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
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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).
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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FRED ALGER & COMPANY INC
13-2510833

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
AMERICAN CENTURY INVESTMENTS
20-2036524

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
AMERICAN FUNDS
95-1411037

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
BLACKROCK INC.
32-0174431

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

COLUMBIA MGMT INVESTMENT ADVISORS

04-3156901

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

DWS INVESTMENTS

13-3241232

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

FIDELITY INVESTMENTS

04-2270522

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

GOLDMAN SACHS ASSET MANAGEMENT

13-4166989

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

JANUS CAPITAL GROUP INC

75-3019319

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

MFS INVESTMENT MANAGEMENT

04-3169826

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

ALLIANZ GLOBAL INVESTORS

06-1349805

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

PRUDENTIAL INVESTMENTS

22-3468527

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

STATE STREET GLOBAL ADVISORS

04-1867445

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

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

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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)

AMERICAN UNITED LIFE INSURANCE CO

35-0145825

(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 37 50 52 59 60 63 64 66 67	SERVICE PROVIDER	3632	Yes ☒ No ☐	Yes ☐ No ☒	2869	Yes ☒ No ☐

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
AMERICAN UNITED LIFE INSURANCE CO	66 67	2869
(d) Enter name and EIN (address) of source of indirect compensation AMERICAN UNITED LIFE INSURANCE CO 35-0145825		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. ASSET CHARGE		
(a) Enter service provider name as it appears on line 2 AMERICAN UNITED LIFE INSURANCE CO 52 59 60 63		
(c) Enter amount of indirect compensation 0		
(d) Enter name and EIN (address) of source of indirect compensation FRED ALGER & COMPANY INC 13-2510833		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. REVENUE SHARING FORMULA - SEE ATTACHED		
(a) Enter service provider name as it appears on line 2 AMERICAN UNITED LIFE INSURANCE CO 52 59 60 63		
(c) Enter amount of indirect compensation 0		
(d) Enter name and EIN (address) of source of indirect compensation AMERICAN CENTURY INVESTMENTS 20-2036524		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. REVENUE SHARING FORMULA - SEE ATTACHED		

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
AMERICAN UNITED LIFE INSURANCE CO	52 59 60 63	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AMERICAN FUNDS 95-1411037	REVENUE SHARING FORMULA - SEE ATTACHED

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
AMERICAN UNITED LIFE INSURANCE CO	52 59 60 63	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
BLACKROCK INC. 32-0174431	REVENUE SHARING FORMULA - SEE ATTACHED

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
AMERICAN UNITED LIFE INSURANCE CO	52 59 60 63	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
COLUMBIA MGMT INVESTMENT ADVISORS 04-3156901	REVENUE SHARING FORMULA - SEE ATTACHED

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
AMERICAN UNITED LIFE INSURANCE CO	52 59 60 63	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
DWS INVESTMENTS	REVENUE SHARING FORMULA - SEE ATTACHED	
13-3241232		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
AMERICAN UNITED LIFE INSURANCE CO	52 59 60 63	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
FIDELITY INVESTMENTS	REVENUE SHARING FORMULA - SEE ATTACHED	
04-2270522		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
AMERICAN UNITED LIFE INSURANCE CO	52 59 60 63	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
GOLDMAN SACHS ASSET MANAGEMENT	REVENUE SHARING FORMULA - SEE ATTACHED	
13-4166989		

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
AMERICAN UNITED LIFE INSURANCE CO	52 59 60 63	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
JANUS CAPITAL GROUP INC	REVENUE SHARING FORMULA - SEE ATTACHED	
75-3019319		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
AMERICAN UNITED LIFE INSURANCE CO	52 59 60 63	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
MFS INVESTMENT MANAGEMENT	REVENUE SHARING FORMULA - SEE ATTACHED	
04-3169826		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
AMERICAN UNITED LIFE INSURANCE CO	52 59 60 63	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
ALLIANZ GLOBAL INVESTORS	REVENUE SHARING FORMULA - SEE ATTACHED	
06-1349805		

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
AMERICAN UNITED LIFE INSURANCE CO	52 59 60 63	0
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>PRUDENTIAL INVESTMENTS</p> <p>22-3468527</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>REVENUE SHARING FORMULA - SEE ATTACHED</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(a) Enter service provider name as it appears on line 2</p> <p>AMERICAN UNITED LIFE INSURANCE CO</p> </div> <div style="width: 20%;"> <p>(b) Service Codes (see instructions)</p> <p>52 59 60 63</p> </div> <div style="width: 20%;"> <p>(c) Enter amount of indirect compensation</p> <p style="text-align: right;">0</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>STATE STREET GLOBAL ADVISORS</p> <p>04-1867445</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>REVENUE SHARING FORMULA - SEE ATTACHED</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(a) Enter service provider name as it appears on line 2</p> </div> <div style="width: 20%;"> <p>(b) Service Codes (see instructions)</p> </div> <div style="width: 20%;"> <p>(c) Enter amount of indirect compensation</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> </div> </div>		

Part II Service Providers Who Fail or Refuse to Provide Information

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

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

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 <div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2010</div> 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 PARAGON MEDICAL INC. 401K PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 PARAGON MEDICAL INC.	D Employer Identification Number (EIN) 35-1831457	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	2032	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	11155
(2) Participant contributions	1b(2)	29802	17133
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	438584	462482
(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)	8997713	9520912
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	1382127
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	9468131	11393809

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	43165	49192
k Total liabilities (add all amounts in lines 1g through 1j)	1k	43165	49192

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	9424966	11344617
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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)	361789	
(B) Participants	2a(1)(B)	1022820	
(C) Others (including rollovers)	2a(1)(C)	127452	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1512061

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	76647	
(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)	23476	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		100123

(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)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

(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)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		1161761
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		2773945

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	803467	
(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)		803467
f Corrective distributions (see instructions)	2f		49192
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)		
(4) Other	2i(4)	1635	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		1635
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		854294

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		1919651
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: MGLADREY & PULLEN LLP

(2) EIN: 42-0714325

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

A Name of plan <u>PARAGON MEDICAL INC. 401K PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PARAGON MEDICAL INC.</u>	D Employer Identification Number (EIN) <u>35-1831457</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	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>35-0145825</u> <u>57-1198022</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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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.
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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): _____

Paragon Medical, Inc. 401(k) Plan

Financial Report
12.31.2010

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Independent Auditor's Report

To the Board of Directors
Paragon Medical, Inc. 401(k) Plan
Pierceton, Indiana

We were engaged to audit the accompanying statements of net assets available for benefits of **Paragon Medical, Inc. 401(k) Plan** as of December 31, 2010 and 2009, and the related statement of net assets available for benefits for the year ended December 31, 2010, and the supplemental schedules of Schedule H, Line 4i – Schedule of Assets (Held At End Of Year) as of December 31, 2010 and Schedule H, Line 4j – Schedule of Reportable Transactions for the year ended December 31, 2010. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the United States 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 or provided by American United Life Insurance Company, the current trustee of the Plan and MG Trust Company LLC, the former trustee of the Plan, except for comparing this information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan Administrator that the trustees holds/held the Plan's assets and executes/executed transactions. The Plan Administrator has obtained certifications from the trustees regarding the completeness and accuracy of the information summarized in Note 3 that was provided to the Plan Administrator by the current trustee as of December 31, 2010 and for the period from May 5, 2010 to December 31, 2010, and the former trustee as of December 31, 2009 and from January 1, 2010 to May 4, 2010.

As described in Note 2, the plan adopted Financial Accounting Standards Board Accounting Standards Update 2010-25, Plan Accounting-Defined Contribution Pension Plans (Topic 962): Reporting Loans to Participants by Defined Contribution Pension Plans, as of December 31, 2010, which clarified how loans to participants should be classified and measured by defined contribution pension plans. This update was retrospectively applied to December 31, 2009.

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 financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified or provided by the current and former trustees, 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 United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

McGladrey & Pullen, LLP

Elkhart, Indiana
October 14, 2011

Paragon Medical, Inc. 401(k) Plan

**Statements Of Net Assets Available For Benefits
December 31, 2010 and 2009**

	2010	2009 (As Revised)
Assets		
Cash	\$ -	\$ 2,032
Investments, at fair value	<u>10,903,039</u>	<u>8,997,713</u>
	<u>10,903,039</u>	<u>8,999,745</u>
Receivables:		
Employer contributions	11,155	-
Participant contributions	17,133	29,802
Notes from participants	<u>462,482</u>	<u>438,584</u>
	<u>490,770</u>	<u>468,386</u>
Total assets	11,393,809	9,468,131
Liabilities		
Excess contributions payable	<u>49,192</u>	<u>43,165</u>
Net Assets Available For Benefits	<u>\$ 11,344,617</u>	<u>\$ 9,424,966</u>

See Notes to Financial Statements.

Paragon Medical, Inc. 401(k) Plan

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

Investment income:	
Net appreciation in fair value of investments	\$ 1,161,761
Interest and dividends	76,647
	<u>1,238,408</u>
 Interest income on notes receivable from participants	 <u>23,476</u>
 Contributions:	
Participant	973,628
Rollover	127,452
Employer	361,789
	<u>1,462,869</u>
 Total additions	 <u>2,724,753</u>
 Deductions:	
Benefit payments	803,467
Administrative expenses	1,635
Total deductions	<u>805,102</u>
 Net increase	 1,919,651
 Net assets available for benefits:	
Beginning of year	<u>9,424,966</u>
 End of year	 <u><u>\$ 11,344,617</u></u>

See Notes to Financial Statements.

Note 1. Plan Description

The following description of the Paragon Medical, Inc. 401(k) Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General:

The Plan is a defined contribution plan covering substantially all employees of Paragon Medical, Inc. and its wholly owned subsidiary Pendleton Technologies, Inc. (collectively the "Company"). An employee becomes eligible to enter the Plan on the first day of the month following the attainment of age 18 and the completion of one year of service, as defined by the Plan agreement. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Plan trustee:

On May 5, 2010, the Plan's assets were transferred from MG Trust Company, LLC ("MG") to American United Life Insurance Company ("AUL").

Contributions:

Each year, participants may elect to contribute a percentage of their pretax annual compensation to the Plan, as defined in the Plan agreement. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan.

The Plan was amended in 2010 to reinstate matching contributions. The Company's matching contribution is equal to a discretionary percentage of participant contributions, to be determined by the Plan's management each year. The Company may also elect to contribute a discretionary profit sharing contribution each year. During the year ended December 31, 2010 the sponsor made matching contributions equal to 100% of participant's elective deferrals up to 3% of compensation, plus 50% of elective deferrals between 3% and 5% in 2010. No discretionary profit sharing contributions were made. Contributions are invested in a manner similar to participant contributions and are subject to certain limitations.

Participant accounts:

Each participant's account is credited with the participant's contribution, an allocation of the Company's matching contribution, Company's discretionary profit sharing contribution (if any), Plan earnings, and charged with any withdrawals and an allocation of certain administrative expenses. Income and realized and unrealized gains and losses on investments are allocated to the participant accounts on each valuation date based on the earnings of the directed investments. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting:

Participants are immediately vested in their voluntary contributions, employer matching and discretionary contributions, plus actual earnings thereon.

Notes To Financial Statements

Note receivables from participants:

The Plan allows participants to borrow from their accounts a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loans are issued for a minimum of \$1,000. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates. The term repayment cannot exceed five years, unless the loan is used to acquire the participant's principal residence. Payments are due each pay period, primarily through payroll deduction.

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

Benefit payments:

Benefit payments are payable as a single lump-sum payment. The full value of a participant's account is payable upon retirement, death or disability. For termination of service due to other reasons, a participant may elect to receive a lump-sum amount, rollover into another qualified plan or remain in the Plan as an inactive participant. Benefits are recorded when paid.

Administration of Plan assets:

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Certain administrative expenses for the 2010 Plan year consisting of trustee fees were paid directly by the Plan.

Termination of the Plan:

Although the Company has not expressed any intent to terminate the Plan, it may do so at any time, subject to the provisions set forth in ERISA. Any unallocated assets of the Plan shall be allocated to participant accounts and distributed in such a manner as the Company may determine.

Note 2. Significant Accounting Policies

Basis of accounting:

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

As described in Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and SOP 94-4-1, *reporting of Fully Benefit-Responsive Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans* (the FSP), investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. As required by the FSP, the Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully-benefit responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis. As of and for the year ended December 31, 2010, the adjustment from fair value to contract value was not material.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

Notes To Financial Statements

Investment valuation and income recognition:

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See below for discussions of fair value measurements.

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

Investment securities, in general are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near-term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Fair value measurements:

Accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 Measurements) and the lowest priority to unobservable inputs (Level 3 Measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value.

Pooled separate accounts: Valued at the total of the net asset value ("NAV") of shares of mutual funds and cash held by the account at year-end. The Plan's interest in the pooled separate accounts is valued based on the information reported by the insurance company.

Guaranteed investment account: Valued at fair value by discounting the related cash flows based on rate guaranteed with the trustee or the current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

Money market fund: Money market fund is valued using the amortized cost method, which is cost plus accretion of discount or minus amortization of premium over the period ending at maturity of the underlying investments, which approximates fair value determined from or corroborated by observable market data by correlation or other means.

Notes To Financial Statements

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.

Subsequent events:

The Plan has evaluated subsequent events for potential recognition and/or disclosure through October 14, 2011, the date the financial statements were available to be issued.

Effective January 1, 2011, the Plan was amended to provide safe harbor matching contributions for eligible participants equal to 100% of participant's elective deferrals up to 3% of compensation, plus 50% of elective deferrals between 3% and 5%.

New accounting pronouncements:

In January 2010, the Financial Accounting Standards Board (FASB) issued an amendment Fair Value Measurements and Disclosures – Improving Disclosures about Fair Value Measurements which requires new disclosures and reasons for transfers of financial assets and liabilities between Levels 1 and 2. This amendment also clarifies that fair value measurements and disclosures are required for each class of financial assets and liabilities, and those disclosures should include a discussion of inputs and valuation techniques. It further clarifies that the reconciliation of Level 3 measurements should separately present purchases, sales, issuances, and settlements instead of netting these changes. With respect to matters other than Level 3 measurements, the amendment has been adopted in the current year. There were no transfers between Level 1 and 2 investments. See Note 4 for the disclosures for each class of assets. The guidance related to Level 3 measurements is effective for periods beginning on or after December 15, 2010 and has not yet been adopted. The Plan's management is currently evaluating the impact of the guidance related to the financial statement disclosures.

In September 2010, FASB issued an amendment, Plan Accounting-Defined Contribution Pension Plans: Reporting Loans to Participants by Defined Contribution Pension Plans, which provides guidance on how loans to participants should be classified and measured by defined contribution pension plans. This amendment requires that participant loans be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. This amendment is effective for periods ending after December 15, 2010, with early adoption permitted. This amendment requires retrospective application to all periods presented. This amendment was adopted for the year ended December 31, 2010, and retrospectively applied to December 31, 2009. Prior year amounts and disclosures have been revised to reflect the retrospective application of adopting this new amendment. The adoption resulted in a reclassification of participant loans totaling \$462,482 and \$438,584 from investments to notes receivable as of December 31, 2010 and 2009 respectively.

Note 3. Information Certified by AUL and MG

The Plan administrator has elected the method of compliance as permitted by CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information certified by AUL, the current trustee of the Plan, and by MG, the former trustee of the Plan, except for comparing such information certified by the trustees to information included in the Plan financial statements and supplemental schedules.

Paragon Medical, Inc. 401(k) Plan

Notes To Financial Statements

The following table presents the values of the Plan's assets as reported by AUL and MG at December 31, 2010 and 2009 respectively. Single assets representing more than 5 percent of the Plan's net assets are separately identified.

	2010	2009
	AUL	MG
Money Market Fund:		
Federated Automated Cash Management Fund	\$ -	\$ 1,284,580
Guaranteed Interest Account:		
AUL Fixed Account	1,382,127	-
Registered Investment Companies:		
Allianz NFJ Small Cap Value	-	1,098,178
Oppenheimer Capital Appreciation Fund	-	794,812
Franklin Rising Dividends Fund	-	721,190
DWS High Income Plus Fund	-	613,111
PIMCO Total Return Fund	-	601,433
Vanguard 500 Index Fund	-	836,534
Other	-	3,047,875
Pooled Separate Accounts:		
Allianz NFJ Small Cap Value	1,303,146	-
PIMCO Total Return Fund	770,247	-
Alger Capital App Portfolio	1,402,654	-
Fidelity VIP Contrafund	902,689	-
OneAmerica Asset Director	861,168	-
PIMCO High Yield Fund	734,541	-
SSgA S&P® 500 Index	621,538	-
Other	2,924,929	-
	\$ 10,903,039	\$ 8,997,713

AUL and MG certified as to the completeness and accuracy of \$1,161,761 of net appreciation in fair value of investments and \$76,647 of interest and dividends related to the aforementioned investments for the year ended December 31, 2010. AUL certified interest earned from notes receivable from participants of \$13,707 during the year ended December 31, 2010. Uncertified interest of \$9,769 on notes receivable from participants has been included in earnings for the year ended December 31, 2010.

During the year ended December 31, 2010, the Plan's investments appreciated in fair value as follows:

	AUL	MG	Total
Pooled Separate Accounts	\$ 1,021,933	\$ -	\$ 1,021,933
Registered Investment Companies	-	139,828	139,828
	\$ 1,021,933	\$ 139,828	\$ 1,161,761

AUL also certified as to the completeness and accuracy of \$462,482 of notes receivable from participants as of December 31, 2010.

Notes To Financial Statements

Note 4. Fair Value Measurements

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

Assets at Fair Value as of December 31, 2010				
	Level 1	Level 2	Level 3	Total
Pooled Separate Accounts:				
Foreign Large Equity - Blend	\$ -	\$ 532,515	\$ -	\$ 532,515
High Yield Bond	-	734,541	-	734,541
Intermediate Bond	-	770,247	-	770,247
Large Equity - Blend	-	1,656,952	-	1,656,952
Large Equity - Growth	-	2,299,235	-	2,299,235
Large Equity - Value	-	360,672	-	360,672
Mid-Cap Equity - Blend	-	463,522	-	463,522
Mid-Cap Equity - Growth	-	376,556	-	376,556
Mid-Cap Equity - Value	-	50,193	-	50,193
Moderate Allocation - Value	-	861,168	-	861,168
Small Equity - Blend	-	4,253	-	4,253
Small Equity - Growth	-	99,334	-	99,334
Small Equity - Value	-	1,311,724	-	1,311,724
Guaranteed Investment Account	-	1,382,127	-	1,382,127
	\$ -	\$ 10,903,039	\$ -	\$ 10,903,039
Assets at Fair Value as of December 31, 2009 (As Revised)				
	Level 1	Level 2	Level 3	Total
Shares of registered investment companies:				
Foreign Large Equity - Growth	\$ 384,008	\$ -	\$ -	\$ 384,008
High Yield Bond	613,111	-	-	613,111
Intermediate Bond	601,433	-	-	601,433
Large Equity - Blend	1,557,724	-	-	1,557,724
Large Equity - Growth	2,579,915	-	-	2,579,915
Large Equity - Value	288,968	-	-	288,968
Mid-Cap Equity - Blend	304,735	-	-	304,735
Mid-Cap Equity - Growth	205,944	-	-	205,944
Small Equity - Blend	79,117	-	-	79,117
Small Equity - Value	1,098,178	-	-	1,098,178
Money Market Account	1,284,580	-	-	1,284,580
	\$ 8,997,713	\$ -	\$ -	\$ 8,997,713

For investments in certain entities that calculate the net asset value per share as the investment's fair value measurement, the following table provides an overview, by major classification, of the nature and risks associated with such investments as well as whether it is probable those investments being sold at amounts different from their reported net asset value per share based on redemption restrictions, if any.

Notes To Financial Statements

Investment Category	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Period Notice
Large Equity ⁽¹⁾	\$ 4,316,859	\$ -	N/A	N/A
Mid-Cap Equity ⁽²⁾	890,271	-	N/A	N/A
Small Equity ⁽³⁾	1,415,311	-	N/A	N/A
Moderate Allocation ⁽⁴⁾	861,168	-	N/A	N/A
Foreign Large Equity ⁽⁵⁾	532,515	-	N/A	N/A
Intermediate Bond ⁽⁶⁾	770,247	-	N/A	N/A
High Yield Bond ⁽⁷⁾	734,541	-	N/A	N/A

⁽¹⁾ This asset class seeks an investment return that approximates as closely as practicable, before expenses, the performance of the S&P 500® (the "Index") over the long term. All investment options in this category have the potential to lose value.

⁽²⁾ This asset class seeks an investment return that approximates as closely as practicable, before expenses, the performance of the S&P MidCap 400® (the "Index") over the long term. All investment options in this category have the potential to lose value.

⁽³⁾ The asset class seeks capital appreciation by investing in equity securities of small-capitalization companies in the capitalization range of the Russell 2000 Growth Index. Ideal companies have substantial cash flows, reliable revenue streams, superior competitive positions and strong management.

⁽⁴⁾ This asset class seeks to achieve its objective by investing in a set of underlying collective trust funds representing various asset classes. Each fund is managed to a specific retirement year. Over time the allocation to asset classes and funds change according to the retirement date. The stocks eventually transition to a fixed fund and income securities upon retirement. All investment options in this category have the potential to lose value.

⁽⁵⁾ Fund seeks long-term capital appreciation. The fund seeks to maintain a diversified portfolio of equity securities on non-U.S. issuers based on individual stock selection and emphasize a bottom-up approach to investing that seeks to identify securities of undervalued issuers.

⁽⁶⁾ This asset class invests in primarily fixed securities and is designed to provide a return that offers low volatility over a reasonably long period of time.

⁽⁷⁾ This asset class invests in bonds with short maturities having moderate to high volatility. Due to the bonds having lower credit ratings than other types of bonds they generally have greater risk than other types of bonds.

Note 5. Income Tax Status and Uncertain Tax Positions

Effective, May 1, 2010, the Plan adopted a non-standardized form of a prototype plan sponsored by AUL. The prototype plan has received an opinion letter from the Internal Revenue Service as to the prototype plan's qualified status. The prototype plan opinion letter has been relied upon by this Plan. The Plan has been amended since this date; however the Plan administrator believes the Plan is designed and is being operated in compliance with the applicable provisions of the Internal Revenue Code.

The Plan's administrator has evaluated the Plan's tax positions and concluded that the Plan has maintained its tax exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. With few exceptions, the Plan is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2007.

Note 6. Related Party Transactions

Certain Plan investments are currently managed by AUL, the current trustee, and were managed MG, the former trustee. AUL performs and MG performed services for the plan and; therefore, these transactions qualify as party-in-interest. Fees paid by the Plan to the current and former trustees for the investment management services were not material for the year ended December 31, 2010.

Paragon Medical, Inc. 401(k) Plan

**Schedule H, Line 4i - Schedule Of Assets (Held At End Of Year)
December 31, 2010**

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
*	AUL Fixed Account	Guaranteed Investment Account	N/A	\$ 1,382,127
	Alger Capital App Portfolio	Pooled Separate Account	N/A	1,402,654
	Allianz NFJ Small Cap Value	Pooled Separate Account	N/A	1,303,146
	AmCent Livestrong 2015	Pooled Separate Account	N/A	14,114
	AmCent Livestrong 2020	Pooled Separate Account	N/A	5,420
	AmCent Livestrong 2025	Pooled Separate Account	N/A	32,927
	AmCent Livestrong 2030	Pooled Separate Account	N/A	85
	AmCent Livestrong 2035	Pooled Separate Account	N/A	51,335
	AmCent Livestrong 2040	Pooled Separate Account	N/A	9,129
	AmCent Livestrong 2045	Pooled Separate Account	N/A	10,884
	AmCent Livestrong 2050	Pooled Separate Account	N/A	8,832
	AmCent Livestrong Income	Pooled Separate Account	N/A	442
	Amer Fds Europacific Growth	Pooled Separate Account	N/A	532,073
	Amer Fds Grwth Fund Of America	Pooled Separate Account	N/A	361,172
	Blackrock Smallcap Growth Eqty	Pooled Separate Account	N/A	99,334
	Columbia Mid Cap Index	Pooled Separate Account	N/A	463,522
	Columbia Small Cap Index	Pooled Separate Account	N/A	4,253
	DWS Dreman Small Cap Value	Pooled Separate Account	N/A	8,578
	Fidelity VIP Contrafund	Pooled Separate Account	N/A	902,689
	Goldman Sachs Mid Value	Pooled Separate Account	N/A	50,192
	Janus Advisor Forty Fund	Pooled Separate Account	N/A	535,409
	MFS Value Fund	Pooled Separate Account	N/A	360,672
*	OneAmerica Asset Director	Pooled Separate Account	N/A	861,168
	PIMCO High Yield Fund	Pooled Separate Account	N/A	734,541
	PIMCO Total Return Fund	Pooled Separate Account	N/A	770,247
	Prudential Jenn Midcap Growth	Pooled Separate Account	N/A	376,556
	SSgA S&P® 500 Index	Pooled Separate Account	N/A	621,538
*	Participants	Interest at rates ranging from 4.25% to 10.25% due between April 2011 and March 2035	N/A	462,482
				\$ 11,365,521

* Party-in-interest transaction.

N/A - Investment is participant directed; therefore, cost is not applicable.

Paragon Medical, Inc. 401(k) Plan

**Schedule H, Line 4j - Schedule Of Reportable Transactions
Year Ended December 31, 2010**

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred with Transaction	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain or (Loss)
Federated Automated Cash Management Fund	Money Market Fund	\$ -	\$ 1,320,323	\$ -	-	\$ *	\$ 1,320,323	\$ *
Vanguard 500 Index Fund	Registered Investment Company	-	750,601	-	-	*	750,601	*
DWS High Income Plus Fund	Registered Investment Company	-	634,034	-	-	*	634,034	*
Franklin Rising Dividends Fund	Registered Investment Company	-	765,748	-	-	*	765,748	*
Oppenheimer Capital Appreciation Fund	Registered Investment Company	-	813,204	-	-	*	813,204	*
AUL Fixed Account	Guaranteed Investment Account	1,320,323	-	-	-	1,320,323	1,320,323	-
Alger Capital App Portfolio	Registered Investment Company	813,204	-	-	-	813,204	813,204	-
Fidelity VIP Contrafund	Registered Investment Company	765,748	-	-	-	765,748	765,748	-
OneAmerica Asset Director	Registered Investment Company	816,300	-	-	-	816,300	816,300	-
PIMCO High Yield Fund	Registered Investment Company	634,034	-	-	-	634,034	634,034	-
SSgA S&P® 500 Index	Registered Investment Company	750,601	-	-	-	750,601	750,601	-

* Information unavailable.

Schedule C Attachment for Line Item 3(e)

PARAGON MEDICAL INC. 401K PLAN

001

35-1831457

December 31, 2010

The investment options of the Plan include various portfolios within an AUL separate account. The separate account in turn invests in investment portfolios of certain open-end management investment companies. AUL receives indirect compensation from these investment companies for the services provided by AUL.

The compensation received by AUL is computed by each investment company by multiplying the daily account balance of the AUL separate account's interest in a particular portfolio by a predetermined percentage rate negotiated with the investment company. This indirect compensation is not charged to the plan or participants accounts but is paid directly by the investment company.

The investment company, the underlying investment portfolio, and the annual compensation percentages are shown below.

Investment Company	Investment Portfolio	Annual Percentage
ALGER	ALGER CAPITAL APP PORTFOLIO	0.20
AMERICAN CENTURY	AMCENT LIVESTRONG 2015	0.35
AMERICAN CENTURY	AMCENT LIVESTRONG 2020	0.35
AMERICAN CENTURY	AMCENT LIVESTRONG 2025	0.35
AMERICAN CENTURY	AMCENT LIVESTRONG 2030	0.35
AMERICAN CENTURY	AMCENT LIVESTRONG 2035	0.35
AMERICAN CENTURY	AMCENT LIVESTRONG 2040	0.35
AMERICAN CENTURY	AMCENT LIVESTRONG 2045	0.35
AMERICAN CENTURY	AMCENT LIVESTRONG 2050	0.35
AMERICAN CENTURY	AMCENT LIVESTRONG 2055	0.35
AMERICAN CENTURY	AMCENT LIVESTRONG INCOME	0.35
AMERICAN FUNDS	AMER FDS EUROPACIFIC GROWTH	0.35
AMERICAN FUNDS	AMER FDS GRWTH FUND OF AMERICA	0.35
BLACKROCK	BLACKROCK SMALLCAP GROWTH EQTY	0.25
COLUMBIA	COLUMBIA MID CAP INDEX	0.25
COLUMBIA	COLUMBIA SMALL CAP INDEX	0.25
DWS	DWS DREMAN SMALL CAP VALUE	0.30
FIDELITY	FIDELITY VIP CONTRAFUND	0.15
GOLDMAN SACHS	GOLDMAN SACHS MID VALUE	0.10
JANUS	JANUS FORTY	0.25
JANUS	JANUS FORTY FUND	0.75
MFS	MFS VALUE	0.40
PIMCO	ALLIANZ NFJ SMALL CAP VALUE	0.25
PIMCO	PIMCO HIGH YIELD	0.25
PIMCO	PIMCO TOTAL RETURN	0.25
PRUDENTIAL	PRUDENTIAL JENN MIDCAP GROWTH	0.25
STATE STREET	SSGA S&P 500 INDEX	0.22

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

Plan Name PARAGON MEDICAL INC. 401K PLAN

EIN: 35-1831457

Plan Sponsor's Name PARAGON MEDICAL INC.

PN: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	AMERICAN UNITED LIFE INS CO	AUL FIXED ACCOUNT		1,382,127
	AMERICAN UNITED LIFE INS CO	PARTICIPANT LOANS		462,482
	AMERICAN UNITED LIFE INS CO	DWS DREMAN SMALL CAP VALUE		8,578
	AMERICAN UNITED LIFE INS CO	AMER FDS EUROPACIFIC GROWTH		532,073
	AMERICAN UNITED LIFE INS CO	AMER FDS GRWTH FUND OF AMERICA		361,172
	AMERICAN UNITED LIFE INS CO	GOLDMAN SACHS MID VALUE		50,193
	AMERICAN UNITED LIFE INS CO	ONEAMERICA ASSET DIRECTOR		861,168

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

Plan Name _____
Plan Sponsor's Name _____

EIN: _____
PN: _____

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	AMERICAN UNITED LIFE INS CO	BLACKROCK SMALLCAP GROWTH EQTY		99,334
	AMERICAN UNITED LIFE INS CO	COLUMBIA MID CAP INDEX		463,522
	AMERICAN UNITED LIFE INS CO	COLUMBIA SMALL CAP INDEX		4,253
	AMERICAN UNITED LIFE INS CO	FIDELITY VIP CONTRAFUND		902,689
	AMERICAN UNITED LIFE INS CO	JANUS FORTY FUND		535,409
	AMERICAN UNITED LIFE INS CO	PRUDENTIAL JENN MIDCAP GROWTH		376,556
	AMERICAN UNITED LIFE INS CO	PIMCO HIGH YIELD		734,541

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

Plan Name _____
Plan Sponsor's Name _____

EIN: _____
PN: _____

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	AMERICAN UNITED LIFE INS CO	ALLIANZ NFJ SMALL CAP VALUE		1,303,146
	AMERICAN UNITED LIFE INS CO	PIMCO TOTAL RETURN		770,247
	AMERICAN UNITED LIFE INS CO	ALGER CAPITAL APP PORTFOLIO		1,402,654
	AMERICAN UNITED LIFE INS CO	MFS VALUE		360,672
	AMERICAN UNITED LIFE INS CO	SSGA S & P 500 INDEX		621,538
	AMERICAN UNITED LIFE INS CO	AMCENT LIVESTRONG 2015		14,114
	AMERICAN UNITED LIFE INS CO	AMCENT LIVESTRONG 2020		5,420

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

Plan Name _____
Plan Sponsor's Name _____

EIN: _____
PN: _____

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	AMERICAN UNITED LIFE INS CO	AMCENT LIVESTRONG 2025		32,927
	AMERICAN UNITED LIFE INS CO	AMCENT LIVESTRONG 2030		85
	AMERICAN UNITED LIFE INS CO	AMCENT LIVESTRONG 2035		51,335
	AMERICAN UNITED LIFE INS CO	AMCENT LIVESTRONG 2040		9,128
	AMERICAN UNITED LIFE INS CO	AMCENT LIVESTRONG 2045		10,884
	AMERICAN UNITED LIFE INS CO	AMCENT LIVESTRONG 2050		8,832
	AMERICAN UNITED LIFE INS CO	AMCENT LIVESTRONG INCOME		442