Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] 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:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
R & K DISTRIBUTORS, INC. 401K DEFERRED COMPENSATION PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/2002

2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
R & K DISTRIBUTORS, INC.

1302 EAST WHALEY ST.
LONGVIEW, TX 75601-6824

2b Employer Identification Number (EIN) 75-1105166

2c Sponsor's telephone number 903-758-4494

2d Business code (see instructions) 424800

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	MIKE MARTIN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
R & K DISTRIBUTORS, INC.

1302 EAST WHALEY ST.
LONGVIEW, TX 75601-6824

3b Administrator's EIN
75-1105166

3c Administrator's telephone number
903-758-4494

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	148
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**	94
b	Retired or separated participants receiving benefits	**6b**	4
c	Other retired or separated participants entitled to future benefits	**6c**	31
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	129
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	129
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	85
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	2
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

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)	X	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)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

(1)	X		**H** (Financial Information)
(2)			**I** (Financial Information – Small Plan)
(3)		0	**A** (Insurance Information)
(4)			**C** (Service Provider Information)
(5)			**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

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

A Name of plan
R & K DISTRIBUTORS, INC. 401K DEFERRED COMPENSATION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
R & K DISTRIBUTORS, INC.

D Employer Identification Number (EIN)
75-1105166

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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	3299	638
(2) Participant contributions	1b(2)	1750	1645
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	283532	177790
(2) U.S. Government securities	1c(2)	16269	33439
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	90907	157145
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	1287567	1501701
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	1683324	1872358
Liabilities			
g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	1683324	1872358

Part II Income and Expense Statement

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

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	43869	
(B) Participants	2a(1)(B)	119566	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		163435
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	1470	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	6142	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		7612
(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	20365	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		20365
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(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)	0	
(B) Other	2b(5)(B)	0	
(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)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		123917
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		315329
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	124189	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		124189
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	2106	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		2106
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		126295
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		189034
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

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

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

(1) [X] 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 [X] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MILLER, CARPENTER & EARNEST, CPA'S (2) EIN: 72-1363443

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.)	4a		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.)	4b		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.)	4c		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.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		300000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		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?	4g		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?	4h		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.)	4i	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.)	4j		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?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		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.	4n			

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)

R&K DISTRIBUTORS, INC.
401(K) DEFERRED COMPENSATION PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2010
AND
DECEMBER 31, 2009

R&K DISTRIBUTORS, INC. 401(K) DEFERRED COMPENSATION PLAN
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MILLER, CARPENTER & EARNEST

CERTIFIED PUBLIC ACCOUNTANTS

(A Professional Corporation)

BENJAMIN A. MILLER, CPA
DANIEL W. CARPENTER, CPA
ROBERT M. EARNEST, CPA*, CVA

PRINCIPAL
PETER M. BRATLIE, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS
*TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Plan Administrator
R&K DISTRIBUTORS, INC. 401(K) DEFERRED COMPENSATION PLAN
Longview, Texas

We were engaged to audit the financial statements of R&K DISTRIBUTORS, INC. 401(K) DEFERRED COMPENSATION PLAN (the "Plan") as of December 31, 2010 and 2009, and for the year ended December 31, 2010, and supplemental schedules as of and for the year ended December 31, 2010, as listed in the accompanying index. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 10, which was certified by Counsel Trust Company dba Mid Atlantic Trust Company, the custodians of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2010 and 2009, that the information provided to the Plan administrator by the custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the Plan's financial statements and supplemental schedules 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 by the custodians, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Miller, Carpenter & Earnest
Shreveport, Louisiana
October 17, 2011

	2010	2009
ASSETS		
Cash and cash equivalents	$ 116	$ 271
Investments, at fair value (Note 4):		
Registered investment companies (mutual funds)	1,712,930	1,587,368
Total assets held for investment	1,713,046	1,587,639
Receivables:		
Employer's contributions	638	3,299
Participants' contributions	1,645	1,750
Notes receivable from participants	157,145	90,907
Total receivables	159,428	95,956
TOTAL ASSETS	$ 1,872,474	$ 1,683,595
LIABILITIES		
Accrued liabilities	-	271
Total liabilities	-	271
NET ASSETS AVAILABLE FOR BENEFITS	$ 1,872,474	$ 1,683,324

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

ADDITIONS	2010
Additions to net assets attributed to:	
Investment income:	
Net appreciation in fair value of investments:	$ 123,917
Interest and dividends	21,835
Total investment income (loss)	145,752
Interest income on notes receivable from participants	6,142
Contributions:	
Employer contributions	43,869
Participant contributions	119,566
Total contributions	163,435
TOTAL ADDITIONS	315,329
DEDUCTIONS	
Deductions from net assets attributed to:	
Benefits paid to participants	124,189
Administrative expenses	1,990
TOTAL DEDUCTIONS	126,179
NET INCREASE (DECREASE)	189,150
NET ASSETS AVAILABLE FOR BENEFITS:	
Beginning of Year	1,683,324
End of Year	$ 1,872,474

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

NOTE 1 – DESCRIPTION OF PLAN

The following description of the R&K DISTRIBUTORS, INC. (the "Company") 401(K) DEFERRED COMPENSATION PLAN (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a tax-qualified defined contribution plan under Section 401(a) of the Internal Revenue Code which provides retirement, disability or death benefits for full-time employees of the Company who are age twenty and one half (20 ½) or older and have attained six (6) months of service. The Plan is subject to various provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Plan is an amendment and restatement of a pre-existing plan which was originally effective as of March 1, 1992. The Plan as herein discussed is effective as of January 1, 2002.

Contributions and Allocations

Each year, participants may contribute up to one hundred percent (100%) of pretax annual compensation ("eligible compensation" as defined under the Plan.), not to exceed maximum annual contribution limits established by the Federal Government. The elective deferral limitations for 2010 and 2009 amounted to $16,500. In addition, during the year which a participant attains age fifty (50) and in subsequent years, the participant may elect to make additional unmatched, pretax "catch up" contributions of up to $5,500 in 2010 and 2009.

Participants direct the investment of their contributions into various investment options offered by the Plan.

The Company may make non-elective contributions to the Plan. The Company's non-elective contribution is allocated to the participant's salary in proportion to the compensation of all participants eligible to receive an allocation for the allocation period. An allocation of the Company's non-elective contribution shall be made to each participant who completed one thousand (1,000) service hours during the plan year.

A matching contribution by the Company for the plan year is discretionary for each plan year. Matching contributions shall be allocated to eligible participants in proportion to the participant's elective contribution. There is no limit on Company matching contributions.

Rollover contributions are permitted by the Plan. Rollover contributions remain in segregated rollover accounts and are always one hundred percent (100%) vested.

NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Participant Accounts

Under the Plan, elective deferrals made by participants and any employer contributions are placed into investment accounts, as directed by the participant, which are then credited with gains and losses at each valuation date. Valuation dates for this plan occur daily. The benefit to which a participant is entitled is the benefit that can be provided from the participants vested account.

Vesting

Under the Plan, participants are immediately vested in their contributions plus actual earnings thereon. Participants are vested in the Company's contribution portion of their accounts plus actual earnings thereon based on years of continuous service. All participants are fully vested after completing at least six (6) years of service.

The vesting schedule for matching and discretionary Employer accounts (including top-heavy) is as follows:

Years of Service	Percentage Vested
Less than 2	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 but less than 6	80%
6 or more	100%

Notes Receivable from Participants

Participants may borrow, from their fund accounts, a minimum of one thousand dollars ($1,000) up to the lesser of fifty thousand dollars ($50,000) or fifty percent (50%) of their account balance. Participants may not have more than one (1) outstanding loan at a time. Loan periods may not extend past five (5) years.

Loans must be secured with an irrevocable pledge and assignment of the participant's vested interest in his or her account.

Loans bear interest at a fixed rate established by the Plan Administrator, set at two (2) percentage points higher than the prime lending rate as charged by the Federal Reserve when the loan is made.

Principal and interest is paid ratably as of each payroll withholding period by the participant through payroll deductions.

Payment of Benefits

The Plan allows for one form of distribution payment. Upon termination of service for any reason, the vested interest of a participant's account will be distributed in the form of a lump-sum distribution.

NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

In-service distributions are permitted by the Plan.

Hardship distributions are permitted by the Plan.

The Plan administrator may delay payment to participants for a reasonable time for administrative convenience. However, unless you choose to defer receipt of your distribution, the Plan must begin your payments within 60 days after the close of the Plan Year following the latest of:

a) The date on which you reached you normal retirement age;
b) The 10th anniversary of the year in which you became a participant in the Plan; or
c) The date you terminated employment with the employer.

Forfeited Accounts

Forfeitures are amounts which can not be paid to terminated participants because they were not one hundred percent (100%) vested upon separation from service with the Company. Forfeitures of all contributions will supplement the Plan's administrative expenses and reduce future employer contributions, respectively. The Plan, as of December 31, 2010 and 2009, had forfeited non-vested account balances totaling $442 and $-, respectively. Amounts used in 2010 to offset expenses and employer contributions totaled $591.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Adoption of New Accounting Guidance

In January 2010, the FASB issued Accounting Standards Update 2010-06, *Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements*. This guidance was issued to increase the transparency in financial reporting of fair value measurements. This guidance requires disclosure of significant transfers in and out of Level 1 and Level 2 fair value measurements and the reasons for the transfers and reconciliation of changes in Level 3 fair value measurements. This guidance also requires an increased level of disaggregation for each class of assets and liabilities and improves the disclosures about the valuation techniques and inputs used to measure fair value measurements. This guidance for increased disclosures is effective for reporting periods beginning after December 15, 2009.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Investment Valuation and Income Recognition

The Plan's assets are stated at fair value based upon quoted market prices of the underlying investments as of the last business day of the Plan year as determined by the custodians.

Net appreciation in the fair value of Plan assets reflected in the Plan's statement of changes in net assets available for benefits includes realized capital gains and losses, interest and unrealized appreciation or depreciation. Interest income is recorded on the accrual basis. Purchases and sales of investments are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

Notes Receivable from Participants

Loans are stated at unpaid principal balances. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding. All loans are secured by an irrevocable pledge and assignment of the participant's vested account interest. Therefore, an allowance for loan losses account is not necessary. Loan defaults are considered to have occurred if any scheduled payment remains unpaid as of the end of the last day of the calendar quarter following the calendar quarter in which the required payment was due.

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Although not required, the Company, as Plan Sponsor, may pay the related costs of administering the Plan. Expenses paid by the Company on behalf of the Plan are not reflected in the financial statements of the Plan.

Risks and Uncertainties

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

NOTE 3 – INVESTMENTS

The following table represents the fair value of investments based upon quoted market values, as determined by the custodians, which exceed five percent (5%) of the Plan's net assets:

	2010	2009
Investments at fair value:		
American Funds American Balanced Fund	$ 165,859	$ 140,712
American Funds Money Market Fund	177,790	283,531
American Funds Capital Income Builder Fund	141,761	119,860
American Funds Capital World Growth/Income Fund	202,642	181,184
American Funds EuroPacific Growth Fund	143,555	139,880
American Funds Fundamental Investors Fund	117,837	106,799
American Funds Growth Fund of America	240,666	208,517

All investments are participant directed.

During 2010, the Plan's investments (including gains and losses on investments bought, sold and held during the year) appreciated in value by $123,917 as follows:

Investments – net appreciation (depreciation) in fair value:

	2010
Mutual funds (Participant directed):	
American Bond Fund	$ 883
American Funds US Government Securities Fund	(1,033)
American Funds High Income Trust Fund	1,204
American Funds Intermediate Bond Fund of America	121
American Funds American Balanced Fund	15,418
American Funds Fundamental Investors Fund	12,822
American Funds Investment Company of America	6,152
American Funds American Mutual Fund	5,547
American Funds Capital Income Builder Fund	6,172
American Funds Capital World Growth/Income Fund	10,182
American Funds Income Fund of America	434
American Funds Washington Mutual Investors Fund	2,677
American Funds Capital World Bond Fund	969
American Funds Growth Fund of America	23,689
American Funds EuroPacific Growth Fund	10,554
American Funds New Perspective Fund	5,654
American Funds New World Fund	6,012
American Funds New Economy Fund	3,423
American Funds SMALLCAP World Fund	10,777
American Funds AMCAP Fund	2,500
American Funds Money Market Fund	(240)
	$ 123,917

NOTE 4 – FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures* (formerly, Statement of Financial Accounting Standards No. 157), establishes a framework for measuring fair value. This 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), gives the next priority to quoted values based on observable inputs ("Level 2" measurements), and the lowest priority to unobservable inputs ("Level 3" measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for instruments measured at fair value, including general classification of such instruments pursuant to the valuation hierarchy. There have been no changes in the methodologies used at December 31, 2010 and 2009.

Registered Investment Companies (Mutual Funds)
Mutual funds are valued at the net asset value (NAV) of shares held by the Plan at year end.

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.

NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)

The following tables present the Plan's hierarchy for its assets and liabilities measured at fair value on a recurring basis as of December 31, 2010 and 2009, respectively:

2010	Level 1	Level 2	Level 3	Total
Cash	$ 116	$ -	$ -	$ 116
Mutual funds:				
Diversified Emerging Mkt	46,174	-	-	46,174
Foreign Large Blend	143,555	-	-	143,555
High Yield Bond	20,826	-	-	20,826
Intermediate Government	33,439	-	-	33,439
Intermediate Term Bond	34,823	-	-	34,823
Large Blend	195,770	-	-	195,770
Large Growth	295,948	-	-	295,948
Large Value	100,773	-	-	100,773
Moderate Allocation	173,481	-	-	173,481
Money Markets	177,791	-	-	177,791
Short Term Bond	12,449	-	-	12,449
World Allocation	141,761	-	-	141,761
World Bond	19,375	-	-	19,375
World Stock	316,765	-	-	316,765
Total assets at fair value	$ 1,713,046	$ -	$ -	$ 1,713,046

2009	Level 1	Level 2	Level 3	Total
Cash	$ 271	$ -	$ -	$ 271
Mutual funds:				
Diversified Emerging Mkt	35,739	-	-	35,739
Foreign Large Blend	139,880	-	-	139,880
High Yield Bond	19,363	-	-	19,363
Intermediate Government	16,269	-	-	16,269
Intermediate Term Bond	27,306	-	-	27,306
Large Blend	158,848	-	-	158,848
Large Growth	257,039	-	-	257,039
Large Value	76,337	-	-	76,337
Moderate Allocation	149,662	-	-	149,662
Money Markets	283,529	-	-	283,529
Short Term Bond	7,226	-	-	7,226
World Allocation	119,860	-	-	119,860
World Bond	23,167	-	-	23,167
World Stock	273,143	-	-	273,143
Total assets at fair value	$ 1,587,639	$ -	$ -	$ 1,587,639

NOTE 5 – RELATED PARTY TRANSACTIONS

For the periods involved the Plan's assets were invested in mutual fund portfolios managed by Counsel Trust Company dba MidAtlantic Trust Company, the Custodians of the Plan. Due to the nature of this relationship, MidAtlantic Trust Company qualifies as a party-in-interest. Other parties-in-interest include Werntz and Associates, Inc. who served as record keepers of the Plan and the Company who is the Plan sponsor.

NOTE 6 – PLAN AMENDMENT OR TERMINATION

Although it has not expressed any intent to do so, the Company has the right to terminate the Plan at any time. The Company may also amend the Plan. However, no amendment can reduce benefits already earned by the participants. In the event of termination, participants are entitled to the full amount in their account as of the date of termination, regardless of the percent vested at the time of termination.

NOTE 7 – TAX STATUS

The Plan obtained a determination letter, dated September 18, 2001, in which the Internal Revenue Service stated that the Plan, as designed, is in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

NOTE 8 – RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2010 and 2009 to Schedule H of Form 5500:

	2010	2009
Net assets available for benefits per the financial statements	$ 1,872,474	$ 1,683,324
Plan cash account not reflected on Form 5500	(116)	-
Net assets available for benefits per Form 5500 Schedule H	$ 1,872,358	$ 1,683,324

NOTE 9 – SUBSEQUENT EVENTS

Subsequent events were evaluated through October 17, 2011, which is the date the financial statements were available to be issued.

NOTE 10 – INFORMATION CERTIFIED BY CUSTODIAN (UNAUDITED)

The following information regarding investment activity has been certified as complete and accurate pursuant to 29 CFR 2520.103-5(c) by the Counsel Trust Company dba Mid Atlantic Trust Company, and has not been audited by the Plan's independent accountants at and for the years ended December 31, 2010 and 2009:

	2010	2009
MidAtlantic Cash	$ 116	$ 271
Registered investment companies (mutual funds):		
American Funds AMCAP Fund	$ 22,683	$ 18,325
American Funds American Balanced Fund	165,859	140,712
American Funds US Government Securities Fund	33,439	16,269
American Funds Money Market Fund	177,790	283,531
American Funds American Mutual Fund	71,529	53,347
American Funds Capital Income Builder Fund	141,761	119,860
American Funds Capital World Bond Fund	19,375	23,167
American Funds Capital World Growth Income Fund	202,642	181,184
American Funds EuroPacific Growth Fund	143,555	139,880
American Funds Fundamental Investors Fund	117,837	106,799
American Funds Growth Fund of America	240,666	208,517
American Funds Income Fund of America	7,622	8,950
American Funds Investment Company of America	77,933	52,049
American Funds New Economy Fund	32,599	30,197
American Funds New Perspective Fund	54,443	50,525
American Funds New World Fund	46,174	35,739
American Funds SMALLCAP World Fund	59,680	41,434
American Funds Washington Mutual Investors Fund	29,244	22,990
American Funds American High Income Trust Fund	20,826	19,363
American Funds Bond Fund of America	34,823	27,306
American Funds Intermediate Bond Fund of America	12,450	7,224
Total Assets held by the Custodian	$ 1,713,046	$ 1,587,639
Net Appreciation (Depreciation) in fair value of investments	$ 123,917	$ 269,715

SUPPLEMENTAL SCHEDULES

SCHEDULE H LINE 4I- SCHEDULE OF ASSETS (HELD AT END OF YEAR)
Plan 002
EIN 75-1105166
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) Fair Value
	Registered investment companies:			
	American Funds	AMCAP Fund	**	$ 22,683
	American Funds	American Balanced Fund	**	165,859
	American Funds	US Government Securities Fund	**	33,439
	American Funds	Money Market Fund	**	177,790
	American Funds	American Mutual Fund	**	71,529
	American Funds	Capital Income Builder Fund	**	141,761
	American Funds	Capital World Bond Fund	**	19,375
	American Funds	Capital World Growth Income Fund	**	202,642
	American Funds	EuroPacific Growth Fund	**	143,555
	American Funds	Fundamental Investors Fund	**	117,837
	American Funds	Growth Fund of America	**	240,666
	American Funds	Income Fund of America	**	7,622
	American Funds	Investment Company of America	**	77,933
	American Funds	New Economy Fund	**	32,599
	American Funds	New Perspective Fund	**	54,443
	American Funds	New World Fund	**	46,174
	American Funds	SMALLCAP World Fund	**	59,680
	American Funds	Washington Mutual Investors Fund	**	29,244
	American Funds	American High Income Trust Fund	**	20,826
	American Funds	Bond Fund of America	**	34,823
	American Funds	Intermediate Bond Fund of America	**	12,450
	Notes and mortgages:			
*	Participant notes receivable	Promissory notes, various rates and dates of maturity		157,145
				$ 1,870,075

* Represents a party-in-interest.

**Information on the cost basis of investments has been excluded, as all investments are participant directed.

Schedule H, Line 4i
Schedule of Assets (Held At End of Year)

Name of Plan:

► R & K Distributors, Inc. 401(k) Deferred Compensation Plan

Employer Identification Number:► 75-1105166

For plan year (beginning/ending):► 01/01/2010 - 12/31/2010 Plan number:► 2

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	American Funds	Money Market		177789.54
	American Funds	Amcap Fund		22683.19
	American Funds	Bond Fund of America		34822.79
	American Funds	Intermediate Bond Fund		12449.02
	American Funds	Capital World Bond		19374.7
	American Funds	EuroPacific Growth Fund		143555.43
	American Funds	Fundamental Investors		117837.09
	American Funds	Growth Fund		240665.62
	American Funds	US Government Securities		33438.89
	American Funds	Investment Company of America		77932.99
	American Funds	Income Fund of America		7622.33
	American Funds	Capital Income Builder		141761.37
	American Funds	American High Income Trust		20826.49
	American Funds	American Balanced		165859.06
	American Funds	American Mutual		71528.85
	American Funds	New Economy		32599.16
	American Funds	New Perspective		54442.79
	American Funds	New World		46174.51
	American Funds	Smallcap World		59560.16
	American Funds	Capital World Growth and Income		202641.86
	American Funds	Washington Mutual		29243.63

