

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) ____	
B This return/report is:	☐ the first return/report;	☐ the final return/report;	
	☐ an amended return/report;	☐ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☐		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>HEALTHCARE PARTNERS MEDICAL GROUP, INC. 401(K) RETIREMENT PLAN</u>	1b Three-digit plan number (PN) ►	<u>003</u>	
	1c Effective date of plan	<u>01/04/1989</u>	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>HEALTHCARE PARTNERS MEDICAL GROUP, INC.</u> <u>19191 S. VERMONT AVE</u> <u>SUITE 200</u> <u>TORRANCE, CA 90502</u>	2b Employer Identification Number (EIN) <u>95-4340584</u>	2c Sponsor's telephone number <u>213-623-3065</u>	2d Business code (see instructions) <u>621491</u>

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

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

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/17/2011</u>	<u>MATTHEW MAZDYASNI</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") HEALTHCARE PARTNERS MEDICAL GROUP, INC. 19191 S. VERMONT AVE SUITE 200 TORRANCE, CA 90502	3b Administrator's EIN 95-4340584 3c Administrator's telephone number 213-623-3065
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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	3631
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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	3021
b Retired or separated participants receiving benefits.....	6b	5
c Other retired or separated participants entitled to future benefits.....	6c	432
d Subtotal. Add lines 6a , 6b , and 6c	6d	3458
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	9
f Total. Add lines 6d and 6e	6f	3467
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	2173
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	25

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 3F 3H 2R

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

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

a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
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SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.		OMB No. 1210-0110
			2010
			This Form is Open to Public Inspection.

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

A Name of plan HEALTHCARE PARTNERS MEDICAL GROUP, INC. 401(K) RETIREMENT PLAN	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 HEALTHCARE PARTNERS MEDICAL GROUP, INC.	D Employer Identification Number (EIN) 95-4340584	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FID.INV.INST.OPS.CO
04-2647786

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

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 37 65 71 60	RECORDKEEPER	40837	Yes ☒ No ☐	Yes ☒ No ☐	0	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
FIDELITY INVESTMENTS INSTITUTIONAL	60	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.	
ABF LG CAP VAL INV - BOSTON FINANCI	0.40%	
04-2526037		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	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.	
AF EUROPAC GROWTH R5 - AMERICAN FUN	0.05%	
95-2566717		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	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.	
AF FUNDAMNTL INVS R5 - AMERICAN FUN	0.05%	
95-2566717		

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
LD ABBETT MIDCPVAL P - DST SYSTEMS, 43-1581814	0.45%	
(a) Enter service provider name as it appears on line 2		
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
LZRD EMRG MKTS EQ IS - BOSTON FINAN 04-2526037	0.15%	
(a) Enter service provider name as it appears on line 2		
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
MSIF MID CAP GRTH I - JPMORGAN INVE 22-2382028	0.10%	

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	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.
NORTHERN SM CAP VAL - NORTHERN TRUS P.O. BOX 75986 CHICAGO, IL 60675		0.40%
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	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.
PIMCO TOT RETURN ADM - BOSTON FINAN 04-2526037		0.25%
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	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.
VIRTUS MID-CAP VAL A - VP DISTRIBUT 06-0847856		0.50%

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	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.	
VIRTUS MID-CAP VAL I - VP DISTRIBUT 06-0847856	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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.	
WILLIAM BLAIR INTL GROWTH CLASS N 301 BATTERY STREET, SUITE 400 SAN FRANCISCO, CA 94111	.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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.	
ULTRA NASDAQ-100 PRO FUND INVESTOR 8401 COLESVILLE ROAD STE 320 ROCKVILLE, MD 20910	.40%	

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
FIDELITY INVESTMENTS INSTITUT	60	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.
BARON OPPORTUNITY FUND 767 5TH AVENUE 49TH FLOOR NEW YORK, NY 10153	.40%	
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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.
MATTHEWS INDIA FUND 4 EMBARCADERO CENTER SUITE 550 SAN FRANCISCO, CA 94111	.40%	
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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.
NEUBERGER BERMAN REAL ESTATE TRUST 6631 MAIN ST WILLIAMSVILLE, NY 14221	.40%	

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
FIDELITY INVESTMENTS INSTITUT	60	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.
AEGIS VALUE FUND INC 4020 S. 147TH STREET OMAHA, NE 68137	12.00	
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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.
SEI EMERGING MARKET DEBT 1 FREEDOM VALLEY DRIVE OAKS, PA 19456	12.00	
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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.
AQR MANAGED FUTURES FUND CL I 2 GREENWICH PLAZA GREENWICH, CT 06830	16.00	

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
FIDELITY INVESTMENTS INSTITUT	60	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.
LORD ABBETT FNDAMNTL EQUITY FD CL C 90 HUDSON STREET 10TH FLOOR JERSEY CITY, NJ 07302		0.10% + 6.00
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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 MUTUAL FUND CLASS A 3500 WISEMAN BLVD SAN ANTONIO, TX 78251-4321		0.25% + 10.00
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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 GROWTH FUND OF AMERICA CLA 3500 WISEMAN BLVD SAN ANTONIO, TX 78251-4321		0.25% + 10.00

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
FIDELITY INVESTMENTS INSTITUT	60	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 INVESTMNT CO OF AMERICA CL 3500 WISEMAN BLVD SAN ANTONIO, TX 78251-4321	0.25% + 10.00	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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 ALL-CAP ENERGY & RES SVCS 40 EAST 52ND STREET NEW YORK, NY 10022	0.25% + 11.00	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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.	
PUTNAM MULTI CAP GROWTH CL A ONE POST OFFICE SQUARE MAILZONE G3C BOSTON, MA 02109	0.35% + 10.00	

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
FIDELITY INVESTMENTS INSTITUT	60	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.
FORWARD SELECT INCOME CLASS C	101 CALIFORNIA ST. SUITE 1600 SAN FRANCISCO, CA 94111	0.75% + 12.00
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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.
YACKTMAN FUND	6300 BRIDGEPOINT PARKWAY AUSTIN, TX 78730	.40%
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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.
INVESCO CHARTER CLASS A	11 GREENWAY PLAZA SUITE 100 HOUSTON, TX 77046	0.25% + 10.00

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
FIDELITY INVESTMENTS INSTITUT	60	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.
RUSSELL GLOBAL REAL ESTATE SECURITI RUSSELL INVESTMENTS SEATTLE, WA 98101	.20%	
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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.
RUSSELL STRATEGIC BOND FUND CL S RUSSELL INVESTMENTS SEATTLE, WA 98101	.20%	
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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 OVERSEAS FUND CLASS T 151 DETROIT ST. DENVER, CO 80206	.34%	

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
FIDELITY INVESTMENTS INSTITUT	60	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.	
PERKINS MID CAP VALUE FUND CLASS T 151 DETROIT ST. DENVER, CO 80206	.34%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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.	
PIMCO ALL ASSET FUND CLASS D 1345 AVENUE OF THE AMERICAS, 3RD FL NEW YORK, NY 10105	.35%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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.	
GABELLI ASSET FUND AAA 3003 SUMMER STREET STAMFORD, CT 06904	.35%	

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
FIDELITY INVESTMENTS INSTITUT	60	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.
ASTON/RIVER RD DIVIDEND ALL CAP N 2800 N. CENTRAL AVENUE STE 900 PHOENIX, AZ 85004	.40%	
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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.
MATTHEWS CHINA FUND 4 EMBARCADERO CENTER SUITE 550 SAN FRANCISCO, CA 94111	.40%	
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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.
ASTON/OPTIMUM MID CAP CL N 2800 N. CENTRAL AVENUE STE 900 PHOENIX, AZ 85004	.40%	

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
FIDELITY INVESTMENTS INSTITUT	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
WASATCH ULTRA GROWTH 150 SOCIAL HALL AVE SUITE 400 SALT LAKE CITY, UT 84111	.40%	
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.		
<hr/>		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
WASATCH INTERNATIONAL GROWTH 150 SOCIAL HALL AVE SUITE 400 SALT LAKE CITY, UT 84111	.40%	
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.		
<hr/>		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
METZLER PAYDEN EURO EMERGING MKTS C 333 SOUTH GRAND AVE, 32ND FLOOR LOS ANGELES, CA 90071	.40%	
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.		

Part 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
FIDELITY INVESTMENTS INSTITUT	60	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.
WEITZ PARTNERS VALUE 1125 SOUTH 103RD STREET OMAHA, NE 68124	.40%	
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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.
HENNESSY CORNERSTONE GROWTH 7250 REDWOOD BLVD., STE 200 NOVATO, CA 94945	.40%	
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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.
FIRSTHAND TECHNOLOGY VALUE 915 S SAN TOMAS AQUINO RD STE 650 CAMPBELL, CA 95008-4463	.40%	

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
FIDELITY INVESTMENTS INSTITUT	60	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.
FIRSTHAND TECHNOLOGY LEADERS 915 S SAN TOMAS AQUINO RD STE 650 CAMPBELL, CA 95008-4463	.40%	
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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.
FIRSTHAND TECHNOLOGY OPPORTUNITIES 915 S SAN TOMAS AQUINO RD STE 650 CAMPBELL, CA 95008-4463	.40%	
(a) Enter service provider name as it appears on line 2		(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUT	60	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.
TOUCHSTONE SANDS CAP SEL GRWTH Z 303 BROADWAY, STE 1100 CINCINNATI, OH 45202-4203	.40%	

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
FIDELITY INVESTMENTS INSTITUT	60	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.
WILLIAM BLAIR SMALL CAP VALUE CLASS 301 BATTERY STREET, SUITE 400 SAN FRANCISCO, CA 94111	.40%

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <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 HEALTHCARE PARTNERS MEDICAL GROUP, INC. 401(K) RETIREMENT PLAN	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 HEALTHCARE PARTNERS MEDICAL GROUP, INC.	D Employer Identification Number (EIN) 95-4340584	

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	5805	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	2368	1016
(2) Participant contributions	1b(2)	7044	3791
(3) Other.....	1b(3)	0	43374270
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	13000163	12840824
(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)	0	25336
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	70795	134370
(B) Common	1c(4)(B)	3490470	4312925
(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)	2702259	2961787
(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)	93182659	113747192
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	-6720	1030

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	112454843	177402541

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	112454843	177402541
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1746919	
(B) Participants	2a(1)(B)	10979182	
(C) Others (including rollovers)	2a(1)(C)	448366	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		13174467
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	2147	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)	663	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	228391	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		231201
(2) Dividends: (A) Preferred stock	2b(2)(A)	4227	
(B) Common stock	2b(2)(B)	50970	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	2354025	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		2409222
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	3179389	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	3259324	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-79935

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	575794	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		575794
(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)		11749013
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		28059762

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	5548176	
(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)		5548176
f Corrective distributions (see instructions)	2f		894388
g Certain deemed distributions of participant loans (see instructions).....	2g		7966
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)	948	
(4) Other	2i(4)	34856	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		35804
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		6486334

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		21573428
l Transfers of assets:			
(1) To this plan.....	2l(1)		43374270
(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: MILLER, KAPLAN, ARASE & CO., LLP

(2) EIN: 95-2036255

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		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

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

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

5b(1) Name of plan(s)

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

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

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

A Name of plan <u>HEALTHCARE PARTNERS MEDICAL GROUP, INC. 401(K) RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>HEALTHCARE PARTNERS MEDICAL GROUP, INC.</u>	D Employer Identification Number (EIN) <u>95-4340584</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-6568107</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2010
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
401(k) RETIREMENT PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
401(k) RETIREMENT PLAN

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Independent Auditors' Report

HealthCare Partners Medical Group, Inc.
401(k) Retirement Plan
19191 South Vermont Avenue, Suite 200
Torrance, California 90502-1018

We were engaged to audit the financial statements and supplemental schedules of HealthCare Partners Medical Group, Inc. 401(k) Retirement Plan as of December 31, 2010 and 2009 and for the years then ended, 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 3, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2010 and 2009, that the information provided to the Plan administrator by the trustee is complete and accurate.

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

Miller, Kaplan, Arase & Co., LLP

MILLER, KAPLAN, ARASE & CO., LLP

October 14, 2011

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
401(k) RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
<u>ASSETS</u>		
<u>INVESTMENTS, AT FAIR VALUE</u>		
Brokerage link accounts	\$ 8,495,843	\$ 7,038,579
Money market funds	11,647,645	11,864,274
Mutual funds	<u>110,918,189</u>	<u>90,840,318</u>
<u>TOTAL INVESTMENTS</u>	<u>131,061,677</u>	<u>109,743,171</u>
Contributions receivable - participants	3,791	7,044
Contributions receivable - employer	1,016	2,368
Notes receivable from participants	2,961,788	2,702,259
Transfer-in receivable (Note 11)	<u>43,374,270</u>	<u>-</u>
<u>TOTAL RECEIVABLES</u>	46,340,865	2,711,671
<u>TOTAL ASSETS</u>	177,402,542	112,454,842
<u>LIABILITIES</u>		
Excess contributions payable	<u>656,707</u>	<u>894,388</u>
<u>NET ASSETS AVAILABLE FOR BENEFITS</u>	<u>\$ 176,745,835</u>	<u>\$ 111,560,454</u>

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
401(k) RETIREMENT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	January 1, 2010 to December 31, 2010	January 1, 2009 to December 31, 2009
<u>ADDITIONS</u>		
Investment Income:		
Interest and dividends	\$ 2,412,032	\$ 1,752,624
Net appreciation of investments	<u>12,244,872</u>	<u>20,390,546</u>
<u>TOTAL INVESTMENT INCOME</u>	14,656,904	22,143,170
<u>CONTRIBUTIONS AND OTHER ADDITIONS</u>		
Employer contributions	1,746,919	1,641,401
Participant contributions	10,322,475	9,288,649
Rollovers	448,366	494,594
Interest on notes receivable from participants	<u>228,391</u>	<u>211,716</u>
<u>TOTAL CONTRIBUTIONS AND OTHER ADDITIONS</u>	<u>12,746,151</u>	<u>11,636,360</u>
<u>TOTAL ADDITIONS</u>	27,403,055	33,779,530
<u>DEDUCTIONS</u>		
Benefits payments	5,556,138	4,208,090
Administrative fees	<u>35,806</u>	<u>31,606</u>
<u>TOTAL DEDUCTIONS</u>	<u>5,591,944</u>	<u>4,239,696</u>
<u>NET INCREASE</u>	21,811,111	29,539,834
<u>NET ASSETS AVAILABLE FOR BENEFITS</u>		
Beginning of year	111,560,454	82,020,620
Transfer from Talbert Medical Group, Inc. 401k Retirement Plan (Note 11)	<u>43,374,270</u>	<u>-</u>
End of year	<u>\$ 176,745,835</u>	<u>\$ 111,560,454</u>

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 - DESCRIPTION OF THE PLAN

The HealthCare Partners Medical Group, Inc. 401(k) Retirement Plan (the Plan) is a defined contribution plan that provides retirement benefits to all eligible employees of HealthCare Partners Medical Group, Inc. (the Employer). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan was adopted and became effective on January 4, 1989.

The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

A. Eligibility

An employee, as defined in the Plan, who is at least 18 years of age and has completed three (3) months of service is eligible to participate in the Plan.

B. Contributions

Eligible employees who choose to participate in the Plan may contribute a minimum amount equal to 1%, up to a maximum amount of 60%, of their compensation, as defined in the Plan, subject to Internal Revenue Code (the "Code") limitations. Participants may, upon proper notice and approval, contribute up to 100% of their compensation. For participants who are eligible for employer matching contributions, the Employer matches 50% of the employee's contribution, up to a maximum of 6% of the employee's compensation. The Employer may also make nonelective contributions. The nonelective contributions are allocated to participant accounts based on the proportion that each participant's compensation bears to the total compensation of all participants for the Plan year, as defined in the Plan. In 2010 and 2009, the Employer did not make any nonelective contributions. Catch-up contributions are permitted.

C. Participant Accounts

Each participant's account is credited with (a) his or her own contributions; (b) rollover contributions; (c) the Employers' matching and/or nonelective contributions; and (d) investment earnings.

D. Forfeitures

Forfeited accounts represent terminated employees' unvested portion of the Employer's contributions plus actual earnings thereon. Forfeited balances of terminated participants' non-vested accounts may be used to reduce Employer contributions due, restore forfeitures of reemployed participants, pay Plan expenses, and to correct administrative errors that may have occurred. The Plan had forfeiture reserves totaling \$12,895 and \$16,451 as of December 31, 2010 and 2009, respectively. Forfeitures totaling \$66,587 and \$8,526 were used to offset Employer contributions in 2010 and 2009, respectively. Forfeitures totaled \$69,176 and \$24,333 in 2010 and 2009, respectively.

E. Vesting

Benefits become vested after one year of service at 25% and increase 25% for each additional year of service, up to a maximum of 100%.

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 - DESCRIPTION OF THE PLAN (Continued)

F. Notes Receivable from Participants

A participant may borrow a minimum of \$1,000, up to 50% of his or her vested account balance, not to exceed \$50,000. The interest rate is determined by the Plan administrator based on prevailing interest rates charged on similar loans by lending institutions under similar circumstances. The participant's loan is to be repaid through payroll deductions. The loan fund account is used to account for participants' loan activity.

G. Payment of Benefits

Normal retirement age is 65. A participant's benefits will be distributed at retirement, death, total and permanent disability, or termination of employment. Upon termination of service, a participant may elect to receive either a lump-sum amount equal to the value of the vested account or payments over a period of time. Hardship withdrawals are permitted.

H. Risks and Uncertainties

Financial instruments, which potentially subject the Plan to concentration of credit risk, consist of investments in mutual funds, equities, bonds, notes, government securities, and money market funds. The Plan's investments are managed by professional investment managers.

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

I. Plan Termination

It is the intent of HealthCare Partners Medical Group, Inc. to continue the Plan; however, it reserves the right to modify, suspend or terminate the Plan at any time subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their accounts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

B. Investment Valuation and Income Recognition

GAAP establishes a fair value hierarchy which prioritizes valuation inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Investment Valuation and Income Recognition (Continued)

Level 1 – Inputs are based on quoted prices for identical instruments in active markets.

Level 2 – Inputs are based on quoted prices for similar instruments and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data.

Level 3 – Inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

The following tables summarize the Plan's investments at December 31, 2010 and 2009, respectively, based on the inputs to value them:

	December 31, 2010			
	Level 1	Level 2	Level 3	Total
Money Market Fund	\$ 12,840,824	\$ -	\$ -	\$ 12,840,824
Mutual Funds:				
Equity	71,907,206	-	-	71,907,206
Blended	29,436,849	-	-	29,436,849
Bond	12,292,494	-	-	12,292,494
Other	62,015	-	-	62,015
Common Stocks:				
Healthcare	265,738	-	-	265,738
Financial	485,998	-	-	485,998
Technology	974,432	-	-	974,432
Materials	931,685	-	-	931,685
Services	480,945	-	-	480,945
Consumer Goods	239,560	-	-	239,560
Industrial Goods	131,011	-	-	131,011
Other	803,556	-	-	803,556
Other	209,364	-	-	209,364
	<u>\$ 131,061,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131,061,677</u>

	December 31, 2009			
	Level 1	Level 2	Level 3	Total
Money Market Fund	\$ 11,864,274	\$ -	\$ -	\$ 11,864,274
Mutual Funds:				
Equity	55,839,706	-	-	55,839,706
Blended	26,077,752	-	-	26,077,752
Bond	8,922,860	-	-	8,922,860
Brokerage Link Accounts:				
Money Market	1,135,887	-	-	1,135,887
Common Stock	3,490,470	-	-	3,490,470
Mutual Funds	2,342,642	-	-	2,342,642
Other	69,880	-	-	69,880
	<u>\$ 109,743,471</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,743,471</u>

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Investment Valuation and Income Recognition (Continued)

The Plan's participant investments are administered under a trust agreement with Fidelity Management Trust Company (FMTC), whereby the deposited contributions are designated by the participants in any one of several investment funds offered by the Plan or the Brokerage Links Accounts which allows participants to invest in individual securities they select within the investment policy guidelines of the Plan. All of the Employer's contributions are invested at the investment option selected by the participant.

Level 1 investments consist of equities, futures, mutual funds and other self-directed investments that are actively traded on a national exchange, money market funds whose unit value is calculated daily based on the observable net asset value of the underlying investments, which are measured based on quoted market prices of investments that are traded on a national exchange, and cash.

C. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

D. New Accounting Pronouncements

The Financial Accounting Standards Board (FASB) recently issued ASU 2010-25, Reporting Loans to Participants by Defined Contribution Pension Plans – a consensus of the FASB Emerging Issues Task Force, clarifying the classification and measurement guidance on participant loans of a defined contribution pension plan. The ASU requires participant loans to be classified as notes receivable from participants and measured at their unpaid principal balance plus accrued unpaid interest. This guidance is a change to the requirement to classify participant loans as investments recognized in accordance with ASC 820, Fair Value Measurements Disclosures. The new guidance is effective for fiscal years ending after December 15, 2010 and must be applied retroactively. The Plan adopted this new guidance for the Plan year ended December 31, 2010.

NOTE 3 - FINANCIAL INFORMATION CERTIFIED BY FIDELITY MANAGEMENT TRUST COMPANY

In accordance with Section 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, all of the investment information, including investment income, shown in the accompanying financial statements and supplemental schedules has been certified as complete and accurate by the trustee of the Plan.

NOTE 4 - INCOME TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service dated February 18, 2005, stating that the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its tax qualification. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 4 - INCOME TAX STATUS (Continued)

Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

The Plan has adopted guidance on accounting for uncertainty in income taxes issued by the FASB. Management believes that the Plan has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. The Plan files information returns annually. As of December 31, 2010, information returns for years subsequent to 2006 were subject to examination by authorities.

NOTE 5 - 5% INVESTMENTS

The following investments represent 5% or more of the Plan's net assets available for benefits as of December 31, 2010:

	<u>Fair Value</u>
Fidelity:	
Contrafund	\$ 19,033,007
Retirement Government Money Market Portfolio	11,647,645
Magellan Fund	9,294,452
American Funds EuroPacific Growth Fund	10,340,470
PIMCO Total Return Fund	11,186,024

NOTE 6 - NET APPRECIATION IN FAIR VALUE OF INVESTMENTS

Net appreciation of investments by investment type for 2010 was as follows:

	<u>January 1, 2010 to December 31, 2010</u>	<u>January 1, 2009 to December 31, 2009</u>
Mutual Funds	\$ 11,741,083	\$ 19,102,127
Common Stock	483,268	1,253,119
Preferred Stock	11,595	17,507
Other	<u>8,926</u>	<u>17,793</u>
<u>TOTAL</u>	<u>\$ 12,244,872</u>	<u>\$ 20,390,546</u>

NOTE 7 - RELATED PARTY TRANSACTIONS

Certain Plan investments are shares in mutual funds managed by a company related to the Plan trustee. These transactions qualify as party-in-interest transactions for which a statutory exemption exists.

NOTE 8 - RECONCILIATION OF FINANCIAL STATEMENTS TO THE FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 8 - RECONCILIATION OF FINANCIAL STATEMENTS TO THE FORM 5500 (Continued)

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Net Assets Available for Benefits Per the Financial Statements	\$ 176,745,835	\$ 111,560,454
Add: Excess Contributions Payable	656,707	894,388
Less: Miscellaneous Adjustment	<u>(1)</u>	<u>1</u>
Net Assets Per the Form 5500	<u>\$ 177,402,541</u>	<u>\$ 112,454,843</u>

The following is a reconciliation of net increase per the financial statements to the Form 5500:

	<u>January 1, 2010 to December 31, 2010</u>
Net Increase Per the Financial Statements	\$ 21,811,111
Change in Excess Contributions Payable	(237,681)
Miscellaneous Adjustment	<u>(2)</u>
Net Income Per the Form 5500	<u>\$ 21,573,428</u>

NOTE 9 - PLAN AMENDMENTS

In January 2009, the Plan was amended to change its investment options.

NOTE 10 - RECLASSIFICATIONS

Certain information reported in the 2009 financial statements has been reclassified to conform to the 2010 presentation.

NOTE 11 - TRANSFER FROM TALBERT MEDICAL GROUP, INC. 401(k) RETIREMENT PLAN

On May 1, 2010, Talbert Medical Group, Inc. was purchased by Health Care Partners Medical Group, Inc. On December 31, 2010, Plan assets totaling \$43,374,270 from the Talbert Medical Group, Inc. 401(k) Retirement Plan were transferred to the Plan.

NOTE 12 - DELINQUENT PARTICIPANT CONTRIBUTIONS

During the year ended December 31, 2010, the Employer failed to remit \$6,053 of participant contributions within 15 business days after the month on which they were withheld. Failure to remit or untimely remittance of participant contributions constitutes a prohibited transaction under Department of Labor regulations.

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 14, 2011, the date on which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosures in these financial statements.

SUPPLEMENTAL SCHEDULES

HEALTHCARE PARTNERS MEDICAL GROUP, INC.

401(k) RETIREMENT PLAN

FORM 5500

SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

E.I.N. 95-4340584; PLAN NO. 003

JANUARY 1, 2010 TO DECEMBER 31, 2010

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under Voluntary Fiduciary Correction Program (VFCP) and PTE 2002-51
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
\$6,053	\$ -	\$6,053	\$ -	\$ -

Check Here () if Late
Participant Loan Payments
Are Included

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
401(k) RETIREMENT PLAN
FORM 5500
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
E.I.N. 95-4340584; PLAN NO. 003
DECEMBER 31, 2010

Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment	Fair Value
Fidelity*:	<u>Mutual Funds</u>	
	Puritan Fund	\$ 6,213,604
	Magellan Fund	9,294,452
	Contrafund	19,033,007
	Fidelity Low Price Stock	1,676,356
	Small Cap Stock Fund	2,629,309
	Freedom Income Fund	699,356
	Freedom 2000 Fund	540,049
	Freedom 2005 Fund	441,517
	Freedom 2010 Fund	2,102,013
	Freedom 2015 Fund	3,439,597
	Freedom 2020 Fund	7,704,854
	Freedom 2025 Fund	5,055,152
	Freedom 2030 Fund	4,755,133
	Freedom 2035 Fund	2,318,998
	Freedom 2040 Fund	1,752,158
	Freedom 2045 Fund	442,493
	Freedom 2050 Fund	185,529
	Retirement Government Money Market	11,647,645
	Spartan Extended Market Index	197,240
	Spartan International Index Fund	147,771
Morgan Stanley	Mid-Cap Growth Fund	6,079,787
American Beacon	Large Cap Value Fund	537,582
American Funds:	EuroPacific Growth Fund	10,340,471
	Fundamental Investments	3,184,121
Northern Trust	Small Cap Value Fund	382,146
Virtus	Mid-Cap Value Fund	626,074
PIMCO	Total Return Fund	11,186,024
Lazard	Emerging Markets Equity Fund	1,468,811
Vanguard:	Institutional Index Fund	7,535,184
	Small Cap Index Inv	393,595
	Total Bond Market Inv	555,806
Brokerage Link Account	Self directed brokerage accounts	8,495,843
Participant Loans	Interest ranges from 4.25% to 11%	2,961,788
		<u>\$ 134,023,465</u>

* Indicates a party-in-interest to the Plan

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
401(k) RETIREMENT PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
401(k) RETIREMENT PLAN

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Independent Auditors' Report

HealthCare Partners Medical Group, Inc.
401(k) Retirement Plan
19191 South Vermont Avenue, Suite 200
Torrance, California 90502-1018

We were engaged to audit the financial statements and supplemental schedules of HealthCare Partners Medical Group, Inc. 401(k) Retirement Plan as of December 31, 2010 and 2009 and for the years then ended, 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 3, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2010 and 2009, that the information provided to the Plan administrator by the trustee is complete and accurate.

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

Miller, Kaplan, Arase & Co., LLP

MILLER, KAPLAN, ARASE & CO., LLP

October 14, 2011

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
 401(k) RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
<u>ASSETS</u>		
<u>INVESTMENTS, AT FAIR VALUE</u>		
Brokerage link accounts	\$ 8,495,843	\$ 7,038,579
Money market funds	11,647,645	11,864,274
Mutual funds	<u>110,918,189</u>	<u>90,840,318</u>
<u>TOTAL INVESTMENTS</u>	<u>131,061,677</u>	<u>109,743,171</u>
Contributions receivable - participants	3,791	7,044
Contributions receivable - employer	1,016	2,368
Notes receivable from participants	2,961,788	2,702,259
Transfer-in receivable (Note 11)	<u>43,374,270</u>	<u>-</u>
<u>TOTAL RECEIVABLES</u>	46,340,865	2,711,671
<u>TOTAL ASSETS</u>	177,402,542	112,454,842
<u>LIABILITIES</u>		
Excess contributions payable	<u>656,707</u>	<u>894,388</u>
<u>NET ASSETS AVAILABLE FOR BENEFITS</u>	<u>\$ 176,745,835</u>	<u>\$ 111,560,454</u>

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
 401(k) RETIREMENT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	January 1, 2010 to December 31, 2010	January 1, 2009 to December 31, 2009
<u>ADDITIONS</u>		
Investment Income:		
Interest and dividends	\$ 2,412,032	\$ 1,752,624
Net appreciation of investments	<u>12,244,872</u>	<u>20,390,546</u>
<u>TOTAL INVESTMENT INCOME</u>	14,656,904	22,143,170
<u>CONTRIBUTIONS AND OTHER ADDITIONS</u>		
Employer contributions	1,746,919	1,641,401
Participant contributions	10,322,475	9,288,649
Rollovers	448,366	494,594
Interest on notes receivable from participants	<u>228,391</u>	<u>211,716</u>
<u>TOTAL CONTRIBUTIONS AND OTHER ADDITIONS</u>	<u>12,746,151</u>	<u>11,636,360</u>
<u>TOTAL ADDITIONS</u>	27,403,055	33,779,530
<u>DEDUCTIONS</u>		
Benefits payments	5,556,138	4,208,090
Administrative fees	<u>35,806</u>	<u>31,606</u>
<u>TOTAL DEDUCTIONS</u>	<u>5,591,944</u>	<u>4,239,696</u>
<u>NET INCREASE</u>	21,811,111	29,539,834
<u>NET ASSETS AVAILABLE FOR BENEFITS</u>		
Beginning of year	111,560,454	82,020,620
Transfer from Talbert Medical Group, Inc. 401k Retirement Plan (Note 11)	<u>43,374,270</u>	<u>-</u>
End of year	<u>\$ 176,745,835</u>	<u>\$ 111,560,454</u>

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 - DESCRIPTION OF THE PLAN

The HealthCare Partners Medical Group, Inc. 401(k) Retirement Plan (the Plan) is a defined contribution plan that provides retirement benefits to all eligible employees of HealthCare Partners Medical Group, Inc. (the Employer). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan was adopted and became effective on January 4, 1989.

The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

A. Eligibility

An employee, as defined in the Plan, who is at least 18 years of age and has completed three (3) months of service is eligible to participate in the Plan.

B. Contributions

Eligible employees who choose to participate in the Plan may contribute a minimum amount equal to 1%, up to a maximum amount of 60%, of their compensation, as defined in the Plan, subject to Internal Revenue Code (the "Code") limitations. Participants may, upon proper notice and approval, contribute up to 100% of their compensation. For participants who are eligible for employer matching contributions, the Employer matches 50% of the employee's contribution, up to a maximum of 6% of the employee's compensation. The Employer may also make nonelective contributions. The nonelective contributions are allocated to participant accounts based on the proportion that each participant's compensation bears to the total compensation of all participants for the Plan year, as defined in the Plan. In 2010 and 2009, the Employer did not make any nonelective contributions. Catch-up contributions are permitted.

C. Participant Accounts

Each participant's account is credited with (a) his or her own contributions; (b) rollover contributions; (c) the Employers' matching and/or nonelective contributions; and (d) investment earnings.

D. Forfeitures

Forfeited accounts represent terminated employees' unvested portion of the Employer's contributions plus actual earnings thereon. Forfeited balances of terminated participants' non-vested accounts may be used to reduce Employer contributions due, restore forfeitures of reemployed participants, pay Plan expenses, and to correct administrative errors that may have occurred. The Plan had forfeiture reserves totaling \$12,895 and \$16,451 as of December 31, 2010 and 2009, respectively. Forfeitures totaling \$66,587 and \$8,526 were used to offset Employer contributions in 2010 and 2009, respectively. Forfeitures totaled \$69,176 and \$24,333 in 2010 and 2009, respectively.

E. Vesting

Benefits become vested after one year of service at 25% and increase 25% for each additional year of service, up to a maximum of 100%.

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 - DESCRIPTION OF THE PLAN (Continued)

F. Notes Receivable from Participants

A participant may borrow a minimum of \$1,000, up to 50% of his or her vested account balance, not to exceed \$50,000. The interest rate is determined by the Plan administrator based on prevailing interest rates charged on similar loans by lending institutions under similar circumstances. The participant's loan is to be repaid through payroll deductions. The loan fund account is used to account for participants' loan activity.

G. Payment of Benefits

Normal retirement age is 65. A participant's benefits will be distributed at retirement, death, total and permanent disability, or termination of employment. Upon termination of service, a participant may elect to receive either a lump-sum amount equal to the value of the vested account or payments over a period of time. Hardship withdrawals are permitted.

H. Risks and Uncertainties

Financial instruments, which potentially subject the Plan to concentration of credit risk, consist of investments in mutual funds, equities, bonds, notes, government securities, and money market funds. The Plan's investments are managed by professional investment managers.

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

I. Plan Termination

It is the intent of HealthCare Partners Medical Group, Inc. to continue the Plan; however, it reserves the right to modify, suspend or terminate the Plan at any time subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their accounts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

B. Investment Valuation and Income Recognition

GAAP establishes a fair value hierarchy which prioritizes valuation inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Investment Valuation and Income Recognition (Continued)

Level 1 – Inputs are based on quoted prices for identical instruments in active markets.

Level 2 – Inputs are based on quoted prices for similar instruments and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data.

Level 3 – Inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

The following tables summarize the Plan's investments at December 31, 2010 and 2009, respectively, based on the inputs to value them:

	December 31, 2010			
	Level 1	Level 2	Level 3	Total
Money Market Fund	\$ 12,840,824	\$ -	\$ -	\$ 12,840,824
Mutual Funds:				
Equity	71,907,206	-	-	71,907,206
Blended	29,436,849	-	-	29,436,849
Bond	12,292,494	-	-	12,292,494
Other	62,015	-	-	62,015
Common Stocks:				
Healthcare	265,738	-	-	265,738
Financial	485,998	-	-	485,998
Technology	974,432	-	-	974,432
Materials	931,685	-	-	931,685
Services	480,945	-	-	480,945
Consumer Goods	239,560	-	-	239,560
Industrial Goods	131,011	-	-	131,011
Other	803,556	-	-	803,556
Other	209,364	-	-	209,364
	<u>\$ 131,061,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131,061,677</u>

	December 31, 2009			
	Level 1	Level 2	Level 3	Total
Money Market Fund	\$ 11,864,274	\$ -	\$ -	\$ 11,864,274
Mutual Funds:				
Equity	55,839,706	-	-	55,839,706
Blended	26,077,752	-	-	26,077,752
Bond	8,922,860	-	-	8,922,860
Brokerage Link Accounts:				
Money Market	1,135,887	-	-	1,135,887
Common Stock	3,490,470	-	-	3,490,470
Mutual Funds	2,342,642	-	-	2,342,642
Other	69,880	-	-	69,880
	<u>\$ 109,743,471</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,743,471</u>

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Investment Valuation and Income Recognition (Continued)

The Plan's participant investments are administered under a trust agreement with Fidelity Management Trust Company (FMTTC), whereby the deposited contributions are designated by the participants in any one of several investment funds offered by the Plan or the Brokerage Links Accounts which allows participants to invest in individual securities they select within the investment policy guidelines of the Plan. All of the Employer's contributions are invested at the investment option selected by the participant.

Level 1 investments consist of equities, futures, mutual funds and other self-directed investments that are actively traded on a national exchange, money market funds whose unit value is calculated daily based on the observable net asset value of the underlying investments, which are measured based on quoted market prices of investments that are traded on a national exchange, and cash.

C. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

D. New Accounting Pronouncements

The Financial Accounting Standards Board (FASB) recently issued ASU 2010-25, Reporting Loans to Participants by Defined Contribution Pension Plans – a consensus of the FASB Emerging Issues Task Force, clarifying the classification and measurement guidance on participant loans of a defined contribution pension plan. The ASU requires participant loans to be classified as notes receivable from participants and measured at their unpaid principal balance plus accrued unpaid interest. This guidance is a change to the requirement to classify participant loans as investments recognized in accordance with ASC 820, Fair Value Measurements Disclosures. The new guidance is effective for fiscal years ending after December 15, 2010 and must be applied retroactively. The Plan adopted this new guidance for the Plan year ended December 31, 2010.

NOTE 3 - FINANCIAL INFORMATION CERTIFIED BY FIDELITY MANAGEMENT TRUST COMPANY

In accordance with Section 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, all of the investment information, including investment income, shown in the accompanying financial statements and supplemental schedules has been certified as complete and accurate by the trustee of the Plan.

NOTE 4 - INCOME TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service dated February 18, 2005, stating that the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its tax qualification. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 4 - INCOME TAX STATUS (Continued)

Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

The Plan has adopted guidance on accounting for uncertainty in income taxes issued by the FASB. Management believes that the Plan has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. The Plan files information returns annually. As of December 31, 2010, information returns for years subsequent to 2006 were subject to examination by authorities.

NOTE 5 - 5% INVESTMENTS

The following investments represent 5% or more of the Plan's net assets available for benefits as of December 31, 2010:

	<u>Fair Value</u>
Fidelity:	
Contrafund	\$ 19,033,007
Retirement Government Money Market Portfolio	11,647,645
Magellan Fund	9,294,452
American Funds EuroPacific Growth Fund	10,340,470
PIMCO Total Return Fund	11,186,024

NOTE 6 - NET APPRECIATION IN FAIR VALUE OF INVESTMENTS

Net appreciation of investments by investment type for 2010 was as follows:

	<u>January 1, 2010 to December 31, 2010</u>	<u>January 1, 2009 to December 31, 2009</u>
Mutual Funds	\$ 11,741,083	\$ 19,102,127
Common Stock	483,268	1,253,119
Preferred Stock	11,595	17,507
Other	<u>8,926</u>	<u>17,793</u>
<u>TOTAL</u>	<u>\$ 12,244,872</u>	<u>\$ 20,390,546</u>

NOTE 7 - RELATED PARTY TRANSACTIONS

Certain Plan investments are shares in mutual funds managed by a company related to the Plan trustee. These transactions qualify as party-in-interest transactions for which a statutory exemption exists.

NOTE 8 - RECONCILIATION OF FINANCIAL STATEMENTS TO THE FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 8 - RECONCILIATION OF FINANCIAL STATEMENTS TO THE FORM 5500 (Continued)

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Net Assets Available for Benefits Per the Financial Statements	\$ 176,745,835	\$ 111,560,454
Add: Excess Contributions Payable	656,707	894,388
Less: Miscellaneous Adjustment	<u>(1)</u>	<u>1</u>
Net Assets Per the Form 5500	<u>\$ 177,402,541</u>	<u>\$ 112,454,843</u>

The following is a reconciliation of net increase per the financial statements to the Form 5500:

	<u>January 1, 2010 to December 31, 2010</u>
Net Increase Per the Financial Statements	\$ 21,811,111
Change in Excess Contributions Payable	(237,681)
Miscellaneous Adjustment	<u>(2)</u>
Net Income Per the Form 5500	<u>\$ 21,573,428</u>

NOTE 9 - PLAN AMENDMENTS

In January 2009, the Plan was amended to change its investment options.

NOTE 10 - RECLASSIFICATIONS

Certain information reported in the 2009 financial statements has been reclassified to conform to the 2010 presentation.

NOTE 11 - TRANSFER FROM TALBERT MEDICAL GROUP, INC. 401(k) RETIREMENT PLAN

On May 1, 2010, Talbert Medical Group, Inc. was purchased by Health Care Partners Medical Group, Inc. On December 31, 2010, Plan assets totaling \$43,374,270 from the Talbert Medical Group, Inc. 401(k) Retirement Plan were transferred to the Plan.

NOTE 12 - DELINQUENT PARTICIPANT CONTRIBUTIONS

During the year ended December 31, 2010, the Employer failed to remit \$6,053 of participant contributions within 15 business days after the month on which they were withheld. Failure to remit or untimely remittance of participant contributions constitutes a prohibited transaction under Department of Labor regulations.

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 14, 2011, the date on which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosures in these financial statements.

SUPPLEMENTAL SCHEDULES

HEALTHCARE PARTNERS MEDICAL GROUP, INC.

401(k) RETIREMENT PLAN

FORM 5500

SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

E.I.N. 95-4340584; PLAN NO. 003

JANUARY 1, 2010 TO DECEMBER 31, 2010

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under Voluntary Fiduciary Correction Program (VFCP) and PTE 2002-51
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
\$6,053	\$ -	\$6,053	\$ -	\$ -

Check Here () if Late
Participant Loan Payments
Are Included

HEALTHCARE PARTNERS MEDICAL GROUP, INC.
401(k) RETIREMENT PLAN
FORM 5500
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
E.I.N. 95-4340584; PLAN NO. 003
DECEMBER 31, 2010

Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment	Fair Value
Fidelity*:	<u>Mutual Funds</u>	
	Puritan Fund	\$ 6,213,604
	Magellan Fund	9,294,452
	Contrafund	19,033,007
	Fidelity Low Price Stock	1,676,356
	Small Cap Stock Fund	2,629,309
	Freedom Income Fund	699,356
	Freedom 2000 Fund	540,049
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	Freedom 2010 Fund	2,102,013
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	Freedom 2020 Fund	7,704,854
	Freedom 2025 Fund	5,055,152
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	Freedom 2035 Fund	2,318,998
	Freedom 2040 Fund	1,752,158
	Freedom 2045 Fund	442,493
	Freedom 2050 Fund	185,529
	Retirement Government Money Market	11,647,645
	Spartan Extended Market Index	197,240
	Spartan International Index Fund	147,771
Morgan Stanley	Mid-Cap Growth Fund	6,079,787
American Beacon	Large Cap Value Fund	537,582
American Funds:	EuroPacific Growth Fund	10,340,471
	Fundamental Investments	3,184,121
Northern Trust	Small Cap Value Fund	382,146
Virtus	Mid-Cap Value Fund	626,074
PIMCO	Total Return Fund	11,186,024
Lazard	Emerging Markets Equity Fund	1,468,811
Vanguard:	Institutional Index Fund	7,535,184
	Small Cap Index Inv	393,595
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Participant Loans	Interest ranges from 4.25% to 11%	2,961,788
		<u>\$ 134,023,465</u>

* Indicates a party-in-interest to the Plan