Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
NEEDHAM & COMPANY, LLC 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1986

2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
NEEDHAM & COMPANY, LLC

445 PARK AVENUE
NEW YORK, NY 10022

2b Employer Identification Number (EIN) 13-3255839

2c Sponsor's telephone number 212-371-8300

2d Business code (see instructions) 523110

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2011	LAURA BENJAMIN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2011	JOSEPH TURANO
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
NEEDHAM & COMPANY, LLC

445 PARK AVENUE
NEW YORK, NY 10022

3b Administrator's EIN
13-3255839

3c Administrator's telephone number
212-371-8300

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

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	292
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**	157
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	124
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	281
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	281
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	269
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	3
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

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

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**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
NEEDHAM & COMPANY, LLC 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
NEEDHAM & COMPANY, LLC

D Employer Identification Number (EIN)
13-3255839

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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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?
37 50 60 64 65 71	NONE	17247	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] 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
(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.	

(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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

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

A Name of plan
NEEDHAM & COMPANY, LLC 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
NEEDHAM & COMPANY, LLC

D Employer Identification Number (EIN)
13-3255839

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		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	534491	528224
(2) Participant contributions	1b(2)	33613	1800
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	193937	320614
(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)	19270372	22176177
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	4182095	4337514

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(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	24214508	27364329
	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 through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	24214508	27364329

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)	528224	
	(B) Participants	2a(1)(B)	1885695	
	(C) Others (including rollovers)	2a(1)(C)	140149	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		2554068
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	13111	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		13111
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	194734	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		194734
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		3205133
c Other income	2c		666688
d Total income. Add all **income** amounts in column (b) and enter total	2d		6633734
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3475969	
(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)		3475969
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	7944	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		7944
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		3483913
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		3149821
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

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

(1) Name: ERNST & YOUNG LLP (2) EIN: 34-6565596

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		5000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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

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

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

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
NEEDHAM & COMPANY, LLC 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
NEEDHAM & COMPANY, LLC

D Employer Identification Number (EIN)
13-3255839

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** 0

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): 04-6568107

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 of 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**

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):

---

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):

See attached audited financial statements for the opinion of the independent qualified accountant for the plan.

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

Needham & Company, LLC 401(k) Plan
December 31, 2010 and 2009 and for the Year Ended December 31, 2010
With Report of Independent Auditors

Needham & Company, LLC 401(k) Plan

Financial Statements and Supplemental Schedule

December 31, 2010 and 2009 and for the Year Ended December 31, 2010

Contents

Report of Independent Auditors.....1

Financial Statements

Statements of Net Assets Available for Benefits.....2
Statement of Changes in Net Assets Available for Benefits.....3
Notes to Financial Statements.....4

Supplemental Schedule

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year).....16

Ernst & Young LLP
5 Times Square
New York, New York 10036-6530
Tel: (212) 773 3000

Report of Independent Auditors

The Board of Directors
Needham & Company, LLC 401(k) Plan

We were engaged to audit the accompanying statements of net assets available for benefits of the Needham & Company, LLC 401(k) Plan as of December 31, 2010 and 2009, the related statement of changes in net assets available for benefits for the year ended December 31, 2010, and the supplemental schedule of assets (held at end of year) as of December 31, 2010. These financial statements and supplemental schedule 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 investment information summarized in Note 4, 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 schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2010 and December 31, 2009 and for the year ended December 31, 2010, 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 schedule taken as a whole. The form and content of the information included in the financial statements and schedule, other than that derived from the investment information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States 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.

Ernst & Young LLP

October 11, 2011
New York, New York

A Member Practice of Ernst & Young Global

Needham & Company, LLC 401(k) Plan

Statements of Net Assets Available for Benefits

	December 31	
	2010	**2009**
Assets		
Investments, at fair value:		
Cash and cash equivalents	**$ 994,609**	$ 939,748
Mutual funds	**23,177,275**	20,175,612
Common stocks	**2,341,807**	2,337,107
Total investments, at fair value	**26,513,691**	23,452,467
Receivables:		
Employer	**528,224**	534,491
Participants	**1,800**	33,613
Notes receivable from participants	**320,614**	193,937
Total receivables	**850,638**	762,041
Total assets	**27,364,329**	24,214,508
Net assets available for benefits	**$ 27,364,329**	$ 24,214,508

See accompanying notes to financial statements.

Needham & Company, LLC 401(k) Plan

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2010

Additions	
Investment gain:	
Net appreciation on mutual funds	$ 3,352,060
Net appreciation on common stock	478,368
Interest	41,393
Dividends	194,734
Net investment gain	4,066,555
Interest income on notes receivable from participants	13,111
Contributions:	
Participants	1,885,695
Employer, net of forfeitures	528,224
Rollover	140,149
Total contributions	2,554,068
Total additions	6,633,734
Deductions	
Benefits paid directly to participants	(3,475,969)
Administrative expenses	(7,944)
Total deductions	(3,483,913)
Net increase in net assets available for benefits	3,149,821
Net assets available for benefits at beginning of year	24,214,508
Net assets available for benefits at end of year	$ 27,364,329

See accompanying notes to financial statements.

Needham & Company, LLC 401(k) Plan

Notes to Financial Statements

December 31, 2010

1. Description of Plan

The following description of the Needham & Company, LLC 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Summary Plan Description for a more complete discussion of the Plan's provisions.

General

The Plan is a defined contribution plan covering all full-time domestic employees of Needham & Company, LLC (the "Company" or the "Employer") who have completed one hour of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Company has assigned all operating and bookkeeping responsibilities of the Plan to Fidelity Management Trust Company (the "Administrator," "Fidelity" or the "trustee") that acts as the Plan's administrator and trustee.

Contributions

Participants in the Plan contribute a portion of their eligible compensation, not to exceed 60% of their eligible annual compensation, as defined by the Plan. The Internal Revenue Code of 1986, as amended, imposes a limitation (adjusted annually for cost-of-living increases) on participants' pre-tax contributions under Section 401(k) plans and other tax favored plans. The Tax Code imposed a limit of $16,500 for 2010 which remained unchanged from 2009. In addition, employees over 50 years old may elect to contribute an additional $5,500 for 2010, also unchanged from 2009.

Each Plan year, the Employer may make discretionary matching contributions of a percent to be determined annually by the Board of Directors, based on a percentage of employee pretax contributions, not including Age 50 and Over Catch-Up Contributions, as described by the provisions of the Plan. For the year ended December 31, 2010, the Company matched ½% for every 1% of employee pretax contributions, not exceeding 3% of the participant's eligible compensation. Company contributions are reduced by any forfeited amounts. Participant contributions are always 100% vested, while Employer contributions become 100% vested upon completion of three years of service. Forfeitures, which arise when a participant's employment terminates prior to becoming 100% vested, may be used to reduce future Company contributions to the Plan.

1. Description of Plan (continued)

All of the Plan's investment programs are fully participant directed. Participants can direct the investment of their contributions, employer contributions and investment earnings thereon in any of the Plan's available investment options. Participants may change their investment options daily.

Rollover

Rollover contributions arise from qualified contributions to the Plan of certain assets previously held on behalf of participants by other qualified plans.

Forfeitures

Upon termination of employment, participants forfeit their nonvested balances. If a participant is rehired, the forfeited contributions are reinstated as long as the participant is rehired within a five year period of termination of employment and, if a distribution was made, the participant repays the full amount of the distribution before the end of the five-year period beginning on the date of being re-employed. Forfeited account balances are retained in the Plan and may first be used to pay administrative expenses. Any remaining amounts will be used to reduce employer contributions to the Plan. Unallocated forfeitures balances as of December 31, 2010 and 2009 were $52,384 and $60,180, respectively.

Participant Loans

Participants may borrow from their participant accounts a minimum of $1,000 up to a maximum of the lesser of 50% of their vested interest in the Plan or $50,000 less the highest outstanding loan balance over the previous twelve months. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with prevailing interest rates as determined by the Plan Administrator. Interest rates remain fixed throughout the duration of the loan. The term of the loan can range from one to five years or up to ten years if the purpose of the loan is for the purchase of a primary residence.

1. Description of Plan (continued)

Payment of Benefit

Upon termination of the participant's employment as a result of retirement (as permitted), death, disability, dismissal, or resignation, as defined by the provisions of the Plan, the participant's account shall be paid to the participant, or designated beneficiary, in a lump-sum amount or in monthly installments.

Administrative Expenses

The Plan's administrative expenses are paid by either the Plan or the Company, as provided by the Plan's provisions. Administrative expenses paid by the Plan include recordkeeping and trustee fees. Expenses relating to purchases, sales or transfers of the Plan's investments are charged to the particular investment fund to which the expenses relate. All other administrative expenses of the Plan are paid by the Company.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

2. Significant Accounting Policies

Basis of Accounting

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

Uses of Estimates

The preparation of financial statements in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA and in conformity with US 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.

2. Significant Accounting Policies (continued)

Cash Equivalents

Generally, the Plan considers short-term interest bearing instruments with maturities of three months or less at the time of purchase to be cash equivalents. Included in cash equivalents at December 31, 2010 and 2009 are amounts invested in a money market fund sponsored by the trustee with weighted average maturities of three months or less at the time of purchase.

Payments of Benefits

Benefit payments are recorded when paid.

New Accounting Pronouncements

In January 2010, the FASB issued Accounting Standards Update 2010-06, *Improving Disclosures about Fair Value Measurements,* (ASU 2010-06). ASU 2010-06 amended ASC 820 to clarify certain existing fair value disclosures and require a number of additional disclosures. The guidance in ASU 2010-06 clarified that disclosures should be presented separately for each "class" of assets and liabilities measured at fair value and provided guidance on how to determine the appropriate classes of assets and liabilities to be presented. ASU 2010-06 also clarified the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. In addition, ASU 2010-06 introduced new requirements to disclose the amounts (on a gross basis) and reasons for any significant transfers between Levels 1, 2, and 3 of the fair value hierarchy and present information regarding the purchases, sales, issuances and settlements of Level 3 assets and liabilities on a gross basis. With the exception of the requirement to present changes in Level 3 measurements on a gross basis, which is delayed until 2011, the guidance in ASU 2010-06 is effective for reporting periods beginning after December 15, 2009. Since ASU 2010-06 only affects fair value measurement disclosures, adoption of ASU 2010-06 did not affect on the Plan's net assets available for benefits or its changes in net assets available for benefits.

In September 2010, the FASB issued Accounting Standards Update 2010-25, *Reporting Loans to Participants by Defined Contribution Pension Plans,* (ASU 2010-25). ASU 2010-25 requires participant loans to be measured at their unpaid principal balance plus any accrued by unpaid interest and classified as notes receivable from participants. Previously, loans were measured at fair value and classified as investments. ASU 2010-25 is effective for fiscal years ending after December 15, 2010 and is required to be applied retrospectively. Adoption of ASU 2010-25 did

2. Significant Accounting Policies (continued)

not change the value of participant loans from the amount previously reported as of December 31, 2009. Participant loans have been reclassified to notes receivable from participants as of December 31, 2009.

In May 2011, the FASB issued Accounting Standards Update 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs,* (ASU 2011-04). ASU 2011-04 amended ASC 820, to converge the fair value measurement guidance in U.S. generally accepted accounting principles ("GAAP") and International Financial Reporting Standards (IFRSs). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures (although certain of these new disclosures will not be required for nonpublic entities). The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management is currently evaluating the effect that the provisions of ASU 2011-04 will have on the Plan's financial statements.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Quoted market prices are used to value exchange traded securities. Shares of open ended registered investment companies are valued at the net asset value of shares held by the Plan at year end. See Note 5 for further discussion of fair value measurements.

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

3. Participants' Interests

Under the provisions of the Plan, a participant may, at the discretion of the Company, be permitted to (i) contribute to the Plan certain distributions received from another qualified employee benefit plan or (ii) direct the trustee of such other plan to make a trust-to-trust transfer to the Plan of the participant's account in such other plan.

4. Investments

All investment information disclosed in the accompanying financial statements and supplemental schedule, including investments held at December 31, 2010 and 2009, and interest and dividends and net appreciation in fair value of investments for the year ended December 31, 2010 was obtained or derived from information supplied to the Plan Administrator and certified as complete and accurate by Fidelity Management Trust Company ("Fidelity").

The following table represents the fair value of Plan investments that exceeded 5% of the net assets available for plan benefits at December 31, 2010 and 2009:

	December 31	
	2010	**2009**
Needham Growth Fund*	**$ 6,385,443**	$ 5,275,172
Fidelity Retirement Money Market Fund*	**3,421,566**	3,082,092
Fidelity Diversified International Fund*	**2,495,333**	2,520,946
Fidelity Large Cap Stock Fund*	**2,196,034**	1,973,930
Fidelity Growth Strategies Fund*	**1,524,509**	1,295,575

* Indicates party in interest to the plan

All investment information disclosed in the accompanying financial statements and supplemental schedules including investments held at December 31, 2010 and net appreciation on investments, interest and dividends for the year ended December 31, 2010, was obtained or derived from information provided by and certified as complete and accurate by the trustee.

During the year ended December 31, 2010, the Plan's investments (including investments purchased, sold as well as held during the year) depreciated in fair value as follows:

	Net Appreciation on Investments
Common Stocks	$ 478,368
Mutual Funds	3,352,060
Net realized and unrealized depreciation in fair value of investments	$ 3,830,428

4. Investments (continued)

Investment Options

All employee voluntary and Employer matching contributions are remitted to Fidelity and invested, at the participant's election, in one or more of the following options, for which Fidelity, Keeley Asset Management Corp., Wallace R. Weits & Company, Artisan Partners Limited Partnership, and Needham Investment Management, L.L.C. serve as investment advisors:

Needham Growth Fund: The fund seeks long-term tax-efficient capital appreciation through investing in equity securities of growth companies with superior earning prospects.

Needham Small Cap Growth Fund: The fund seeks long term tax efficient capital appreciation through investing in equities of smaller growth companies the fund believes are trading at a discount.

Needham Aggressive Growth Fund: The fund seeks long term tax efficient capital appreciation through investing in equities of public companies with strong, above average, prospective long-term growth rates.

Artisan Mid Cap Value Fund: The fund seeks to provide maximum long-term capital growth, through investment in common stocks.

Keeley Small Cap Value Fund: The fund seeks capital appreciation through investment in common stocks and other equity type securities (including preferred stock, convertible debt securities and warrants) of small market capitalization.

Weitz Value Fund: The fund seeks to provide capital growth and primarily invests in common stocks of foreign companies.

Fidelity Fund: The fund seeks long-term capital growth, through investment in common stocks.

Fidelity Capital and Income Fund: The fund objective is to provide a combination of current income and capital growth.

4. Investments (continued)

Fidelity Low Priced Stock Fund: The fund seeks capital appreciation; investing mainly in a portfolio of low-priced stocks that may be undervalued, overlooked or out-of-favor.

Fidelity Asset Manager 70% Fund: The fund seeks to maximize total return over the long term by allocating assets among stocks, bonds, short-term instruments and other investments.

Fidelity Growth Strategies Fund: Seeks long-term capital appreciation by investing mainly in equity securities of companies believed to offer the potential for accelerated growth.

Fidelity Diversified International Fund: The fund seeks capital growth by investing mainly in non-U.S. securities across countries and regions considering size of the market in each country and region relative to size of the international market as a whole.

Fidelity Large Cap Stock Fund: The fund seeks to increase the value of investments over the long-term through capital growth.

Fidelity Retirement Money Market Fund: The fund seeks a high current income, preservation of capital, and liquidity from money market instruments.

Fidelity Magellan Fund: The fund seeks to provide capital appreciation and primarily invests in common stocks.

Fidelity Institutional Short-Intermediate Government Fund: The fund seeks a high level of current income consistent with preserving principal, through investment in government securities.

Fidelity Freedom 2000 Fund: The fund seeks high total return until its target retirement date. Thereafter, the fund primary objective is to seek high current income and, as a secondary objective, capital appreciation.

Fidelity Freedom 2020 Fund: The fund seeks high total return until its target retirement date. Thereafter, the fund primary objective is to seek high current income and, as a secondary objective, capital appreciation.

Fidelity Freedom 2025 Fund: The fund seeks high total return until its target retirement date. Thereafter, the fund primary objective is to seek high current income and, as a secondary objective, capital appreciation.

4. Investments (continued)

Fidelity Freedom 2030 Fund: The fund seeks high total return until its target retirement date. Thereafter, the fund primary objective is to seek high current income and, as a secondary objective, capital appreciation.

Fidelity Freedom 2035 Fund: The fund seeks high total return until its target retirement date. Thereafter, the fund primary objective is to seek high current income and, as a secondary objective, capital appreciation.

Fidelity Freedom 2045 Fund: The fund seeks high total return until its target retirement date. Thereafter, the fund primary objective is to seek high current income and, as a secondary objective, capital appreciation.

Fidelity Freedom 2050 Fund: The fund seeks high total return until its target retirement date. Thereafter, the fund primary objective is to seek high current income and, as a secondary objective, capital appreciation.

Fidelity Freedom Income Fund: The fund seeks to provide high current income and, as a secondary objective, some capital appreciation for those already in retirement.

BrokerageLink: The investment option allows the participants to self-manage their investments through a brokerage account. At December 31, 2010, investments held in BrokerageLink consisted of common stocks and mutual funds.

Participants may invest in foreign stocks, nonlisted investment partnerships, commodities, futures, options, nontaxable investments, and precious metals or in securities of the employer or its affiliates. Participants are not permitted to purchase securities on margin or sell short.

Investment Risk

The Plan provides for investments in various investment securities, which in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of net assets available for benefits. In addition, the Plan is also exposed to credit risk related to maintaining all of its investment accounts at Fidelity.

5. Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- quoted prices for similar assets and liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals)
- inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement of the asset or liability. The Plan's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and the Plan considers factors specific to the asset or liability.

5. Fair Value Measurements (continued)

The following table summarizes the Plan's portfolio investments that were accounted for at fair value by level within the fair value hierarchy at December 31, 2010 and 2009.

Total investments at fair value at December 31, 2010:

	Level 1	Level 2	Level 3	Total
Cash equivalents	**$ 866,589**	**$ –**	**$ –**	**$ 866,589**
Mutual funds	**23,177,275**	**–**	**–**	**23,177,275**
Common stocks	**2,341,807**	**–**	**–**	**2,341,807**
Total investments	**$ 26,385,671**	**$ –**	**$ –**	**$ 26,385,671**

Total investments at fair value at December 31, 2009:

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 820,434	$ –	$ –	$ 820,434
Mutual funds	20,175,612	–	–	20,175,612
Common stocks	2,337,107	–	–	2,337,107
Total investments	$ 23,333,153	$ –	$ –	$ 23,333,153

6. Income Tax Status

The underlying volume submitter prototype plan has received an opinion letter from the Internal Revenue Service ("IRS") dated March 31, 2008 stating the form of the plan is qualified under Section 401 of the Internal Revenue Code ("Code"), and therefore, the related trust is tax-exempt. In accordance with Revenue Procedure 2010-6 and 2005-16, the Plan Sponsor has determined that it is eligible to and has chosen to rely on the current IRS prototype plan opinion letter. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

6. Income Tax Status (continued)

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

7. Subsequent Events

Management evaluated subsequent events for the Plan through October 11, 2011, the date the financial statements were available to be issued.

Supplemental Schedule

EIN: 13-3255839
Plan: 001

Needham & Company, LLC 401(k) Plan

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

December 31, 2010

Description	Shares	Current Value
Cash and Cash Equivalents		
FIDELITY CASH RESERVES*	866,393	$ 866,393
NON-INTEREST BEARING CASH	–	128,020
SSGA MONEY MARKET FD CL A	196.05	196
Total Cash and Cash Equivalents		$ 994,609
Mutual Funds Held Through BrokerageLink		
ARTISAN SMALL CAP VALUE*	5,884	$ 99,151
BARON SMALL CAP FUND	3,396	80,756
BARON PARTNERS FUND	1,351	27,790
CENTURY SMALL CAP SELECT INVESTOR CLASS	2,345	53,802
DODGE COX INTERNATIONAL STOCK FUND	2,296	81,991
DODGE COX STOCK FUND	437	47,137
FAM VALUE FUND	546	24,769
FIDELITY CONVERTIBLE SECURITIES FUND*	211	5,370
FIDELITY LEVERAGED COMPANY STOCK*	135	3,829
FIDELITY TREND*	179	12,095
JANUS ENTERPRISE FUND T SHARES	2,497	147,556
LOOMIS SAYLES FDS BOND FD RETAIL CL TR I	1,496	21,275
NEEDHAM AGGRESSIVE GROWTH FUND*	152	2,611
PIONEER HIGH YIELD FD CLASS A	9,030	91,745
RS VALUE FUND	2,593	67,188
THIRD AVENUE FOCUSED CREDIT FUND – INSTITUTIONAL CL	10,942	122,875
TWEEDY, BROWNE WORLDWIDE HIGH DIVIDEND YIELD VALUE	3,642	32,816
VANGUARD TARGET RETIREMENT 2035 FUND	333	38,554
WINTERGREEN FUND	2,840	39,788
Total mutual funds held through BrokerageLink		$ 1,001,098

** Indicates party in interest to the plan*

Needham & Company, LLC 401(k) Plan

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year) (continued)

Description	Shares	Current Value
Core Mutual Funds		
ARTISAN MID CAP VALUE FUND*	12,175	$ 244,475
FIDELITY ASSET MANAGER 70% FUND*	16,682	272,419
FIDELITY CAPITAL AND INCOME FUND*	100,524	947,938
FIDELITY DIVERSIFIED INTERNATIONAL FUND*	82,764	2,495,333
FIDELITY FREEDOM INCOME FUND*	7,206	81,287
FIDELITY FREEDOM 2000 FUND*	48	570
FIDELITY FREEDOM 2020 FUND*	370	5,099
FIDELITY FREEDOM 2025 FUND*	270	3,111
FIDELITY FREEDOM 2030 FUND*	403	5,551
FIDELITY FREEDOM 2035 FUND*	1,615	18,521
FIDELITY FREEDOM 2045 FUND*	4,965	47,115
FIDELITY FREEDOM 2050 FUND*	9,586	89,914
FIDELITY FUND*	32,762	1,053,302
FIDELITY GROWTH STRATEGIES FUND*	74,585	1,524,509
FIDELITY INSTITUTIONAL SHORT – INTERMEDIATE GOVERNMENT FUND*	61,434	619,252
FIDELITY LARGE CAP STOCK FUND*	124,704	2,196,034
FIDELITY LOW PRICED STOCK FUND*	25,683	985,694
FIDELITY MAGELLAN FUND*	882	63,196
FIDELITY RETIREMENT MONEY MARKET FUND*	3,421,566	3,421,566
KEELEY SMALL CAP VALUE FUND*	5,024	125,444
NEEDHAM AGGRESSIVE GROWTH FUND*	42,471	727,951
NEEDHAM GROWTH FUND*	163,269	6,385,443
NEEDHAM SMALL CAP GROWTH FUND*	56,634	804,776
WEITZ VALUE FUND*	2,027	57,677
Total core mutual funds		$ 22,176,177
Total mutual funds		$ 23,177,275
Common Stock Held Through BrokerageLink		
SEAGATE TECHNOLOGY	750	$ 11,273
AOL INC. AOL INC. COMMON STOCK	18	427
AT&T INC	1,053	30,941
ACCESS PHARMS INC	3,000	7,440
ADVANCED SEMICONDUCTOR ENGINEERING, INC	65	372
ALCOA, INC.	2,924	45,003
ALCATEL-LUCENT	97	287

** Indicates party in interest to the plan*

Needham & Company, LLC 401(k) Plan

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year) (continued)

Description	Shares	Current Value
Common Stock Held Through BrokerageLink (continued)		
APPLE INC	530	$ 170,957
APPLIED MATERIALS, INC	1,000	14,050
ARCHER DANIELS MIDLAND CO.	1088.311	32,736
AUTOMATIC DATA PROCESSING, INC.	503	23,279
BANK OF AMERICA CORP.	500	6,670
IPATH S&P 500 VIX SHORT-TERM FUTURES ETN	137	5,153
BENCHMARK ELECTRONICS, INC.	103	1,870
BERKSHIRE HATHAWAY INC. CL B	525	42,058
BIOSANTE PHARMACEUTICALS, INC	16	26
BIOLASE TECHNOLOGY, INC.	1,700	2,975
BOEING CO. (THE)	35.662	2,327
C.H. ROBINSON WORLDWIDE, INC.	506	40,576
CME GROUP INC.	73	23,488
CALLIDUS SOFTWARE, INC.	3000	15,150
CAREVIEW COMM INC	2000	3,140
CATERPILLAR INC	40.438	3,787
CELGENE CORPORATION	100	5,914
CENOVUS ENERGY INC.	303	10,072
CIPRICO INC	1,000	–
CISCO SYSTEMS, INC.	1,800	36,414
CITIGROUP INC	3,000	14,190
COCA-COLA CO (THE)	152.033	9,999
CONCURRENT COMPUTER CORPORATION	100	506
CORNING, INC.	629.461	12,161
DEERE & CO.	34.003	2,824
DELCATH SYSTEMS, INC.	400	3,920
DISNEY (WALT) CO. (THE)	188.939	7,087
DONALDSON CO. INC	454	26,459
DRINKS AMERICAS HLDGS LTD	183,600	2,020
EMC CORP. (MA)	250	5,725
EOG RESOURCES, INC.	100	9,141
ETFS PHYSICAL PLATINUM SHARES	50	8,806
ETFS PHYSICAL PALLADIUM SHARES	150	11,979
ELECTRONIC ARTS INC.	500	8,190
ENCANA CORP.	503	14,647
ENERGYCONNECT GROUP INC	50,000	5,500
EXPRESS SCRIPTS, INC.	700	37,835

** Indicates party in interest to the plan*

Needham & Company, LLC 401(k) Plan

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year) (continued)

Description	Shares	Current Value
Common Stock Held Through BrokerageLink (continued)		
EXXON MOBIL CORP.	225	$ 16,452
51JOB, INC.	100	4,925
GEN-PROBE INCORPORATED	300	17,505
GENERAL ELECTRIC CO	7,014	128,284
GLAXOSMITHKLINE PLC	341	13,374
GLOBAL PAYMENTS, INC.	300	13,863
GOOGLE INC.	50	29,699
HOLOGIC, INC.	1000	18,820
HONEYWELL INTERNATIONAL, INC.	83.875	4,459
IDEXX LABORATORIES, INC.	225	15,575
ING GLOBAL EQUITY DIVIDEND & PREMIUM OPPORTUNITY FUND	1606.618	17,432
INNOVATIVE SOLUTIONS AND SUPPORT, INC	1,250	7,088
INTEL CORPORATION	1007.755	21,193
INTERNAP NETWORK SERVICES CORPORATION	32	195
IROBOT CORPORATION	2,000	49,760
ISHARES FTSE/XINHUA CHINA 25 INDEX	1,300	56,017
ISHARES MSCI EMERGING MARKETS INDEX	428.688	20,424
ISHARES BARCLAYS 1-3 YEAR TREASURY BOND FUND	1300	109,174
ISHARES RUSSELL 2000 INDEX	102.644	8,031
JPMORGAN CHASE & CO.	142.7	6,053
LSI CORP	28	168
LTX-CREDENCE CORPORATION	3333	24,664
LEAPFROG ENTERPRISES INC	1300	7,215
LECG CORPORATION	3000	4,140
LEVEL 3 COMMUNICATIONS, INC.	670	657
MRV COMMUNICATIONS INC	7,000	12,530
MCDONALD'S CORP	118.98	9,133
METTLER-TOLEDO INTERNATIONAL, INC	150	22,682
PNC FINANCIAL SERVICES GROUP (THE)	30.831	1,872
PARAGON SHIPPING INC. CLASS A COMMON SHARES	3,000	10,290
PATTERSON COMPANIES INC.	350	10,721
PFIZER INC	3,130	54,812
POTASH CORP. OF SASKATCHEWAN INC.	100	15,523
POWERSHARES QQQ TRUST, SERIES 1	700	38,122
POWERSHARES DB OIL FUND	2,250	63,495
PROSHARES ULTRA DOW30	2,038	111,135
PROSHARES ULTRASHORT 7-10 YEAR TREASURY	100	4,234

** Indicates party in interest to the plan*

Needham & Company, LLC 401(k) Plan

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year) (continued)

Description	Shares	Current Value
Common Stock Held Through BrokerageLink (continued)		
PROSHARES ULTRA SEMICONDUCTORS	808.917	$ 32,211
PROSHARES ULTRASHORT FTSE/XINHUA CHINA 25	100	3,008
PROSHARES ULTRA FINANCIALS	501.023	33,258
QUALCOMM INCORPORATED	2035.64	100,744
SPDR S&P 500 ETF	478.388	60,157
SPDR GOLD TRUST GS	350	48,552
SPDR S&P DIVIDEND ETF	1,000	51,980
SCHLUMBERGER LTD.	53.482	4,466
FINANCIAL SELECT SECTOR SPDR	1357.951	21,659
SENOMYX, INC.	300	2,139
SILICON GRAPHICS INTERNATIONAL CORP	1490	13,455
SIRIUS XM RADIO INC.	1,000	16,300
SOURCINGLINK.NET INC	500	1
STRYKER CORP.	302	16,217
SYNCHRONOSS TECHNOLOGIES, INC.	2,200	58,762
TASEKO MINES LTD	2,000	10,500
TECHNE CORPORATION	300	19,701
TELIK, INC.	25060	19,071
TEVA PHARMACEUTICAL INDUSTRIES LIMITED	20	1,043
3D SYSTEMS CORP. (DE)	1300	40,937
TIME WARNER INC	200	6,434
TIME WARNER CABLE INC	50	3,302
USA TECHNOLOGIES, INC.	2500	2,575
UNITED STATES NATURAL GAS FUND, LP UNITED STATES NATURAL GAS FUND, LP ETF	650	3,895
UNITED STATES STEEL CORP.	21.543	1,259
VARIAN MEDICAL SYSTEMS, INC.	452	31,315
VANGUARD TOTAL STOCK MARKET ETF	200	12,986
VERISK ANALYTICS INC CL A	300	10,224
VERUTEK TECHNOLOGIES	30000	27,000
VISA INC. VISA INC.	50.423	3,549
WESTERN UNION CO.	400	13,560
WORLDCOM INC	1200	4,457
Total common stocks		$ 2,341,807
Total investments		$ 26,513,691

** Indicates party in interest to the plan*

EIN: 13-3255839
Plan: 001

Needham & Company, LLC 401(k) Plan

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year) (continued)

Description	Shares	Current Value
Loans		
Notes mature between 2010 and 2019 and bear interest at rates which vary between 5.00% and 10.50% per annum		$ 320,614
Total Loans		

The "Cost" Column is not applicable because all investment programs are fully participant directed.

** Indicates party in interest to the plan*

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

Plan Name Needham & Company, LLC 401(k) Plan **EIN:** 13-3255839
Plan Sponsor's Name Needham & Company, LLC **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	See Attached Financials			