

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>WIDEX USA, INC. 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1999</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1999</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/1999</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>WIDEX USA, INC.</u> <u>35-53 24TH STREET</u> <u>LONG ISLAND CITY, NY 11106</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>99-0361726</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>718-392-6020</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>541990</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>99-0361726</u>	2c Sponsor's telephone number <u>718-392-6020</u>	2d Business code (see instructions) <u>541990</u>	
2b Employer Identification Number (EIN) <u>99-0361726</u>					
2c Sponsor's telephone number <u>718-392-6020</u>					
2d Business code (see instructions) <u>541990</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	02/29/2012	FRANCESCA DINOTA
	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") WIDEX USA, INC. 35-53 24TH STREET LONG ISLAND CITY, NY 11106	3b Administrator's EIN 99-0361726 3c Administrator's telephone number 718-392-6020
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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 WIDEX HEARING AID CO., INC.	4b EIN 11-1948546 4c PN 001	
5 Total number of participants at the beginning of the plan year	5	288
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	219
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	45
d Subtotal. Add lines 6a , 6b , and 6c	6d	264
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	264
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	230
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	10
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

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

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

9a Plan funding arrangement (check all that apply)	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	(1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan WIDEX USA, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500. WIDEX USA, INC.		
D Employer Identification Number (EIN) 99-0361726		

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
NATIONWIDE LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
31-4156830	66869	GAP-64-Z179	230	01/01/2010	12/31/2010

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
46082	11221

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
INVEST FINANCIAL CORPORATION 5555 GRANDE MARKET DR
APPLETON, WI 54913

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
46082			3

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
EUGENE SCHLOSS & CO. INC 1400 OLD COUNTRY RD
WESTBURY, NY 11590

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
	11221	TPA FEES	5

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4 Current value of plan's interest under this contract in the general account at year end	4	0
5 Current value of plan's interest under this contract in separate accounts at year end	5	6837087

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ POOLED SEPARATE ACCOUNTS

b Balance at the end of the previous year	7b	
c Additions: (1) Contributions deposited during the year	7c(1)	
(2) Dividends and credits	7c(2)	
(3) Interest credited during the year	7c(3)	
(4) Transferred from separate account	7c(4)	
(5) Other (specify below)	7c(5)	
▶		
(6) Total additions	7c(6)	
d Total of balance and additions (add b and c(6))	7d	
e Deductions:		
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	
(2) Administration charge made by carrier	7e(2)	
(3) Transferred to separate account	7e(3)	
(4) Other (specify below)	7e(4)	
▶		
(5) Total deductions	7e(5)	
f Balance at the end of the current year (subtract e(5) from d)	7f	

Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:

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

10 Nonexperience-rated contracts:

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

Specify nature of costs ▶

Part IV Provision of Information

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

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

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

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

A Name of plan WIDEX USA, INC. 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 WIDEX USA, INC.	D Employer Identification Number (EIN) 99-0361726	

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	
INVEST FINANCIAL CORPORATION	ATTN COMMISSION PROCESSING 5555 GRANDE MARKET DR APPLETON, WI 54913

(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)

NATIONWIDE

ONE NATIONWIDE PLAZA
COLUMBUS, OH 43125

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 18	RECORDKEEPER	68905	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

EUGENE SCHLOSS & CO.

11-2567288

(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?
17	TPA	9738	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 ☐

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
(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: EDWARD GRODSKY, CPA	b EIN: 11-6525533
c Position: ACCOUNTANT	
d Address: 3334 LONG BEACH RD. OCEANSIDE, NY 11572	e Telephone: 516-705-5484

Explanation: NEW PLAN SPONSOR CHANGED ACCOUNTANT

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

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

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

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

SCHEDULE H (Form 5500) 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 WIDEX USA, INC. 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 WIDEX USA, INC.	D Employer Identification Number (EIN) 99-0361726	

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)	21437	17614
(2) Participant contributions	1b(2)	44555	36370
(3) Other.....	1b(3)	0	0
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)	463371	379212
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)	7532030	6837087
(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)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	8061393	7270283

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	863	1702
k Total liabilities (add all amounts in lines 1g through 1j)	1k	863	1702

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	8060530	7268581
---	-----------	---------	---------

Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	249045	
(B) Participants	2a(1)(B)	607266	
(C) Others (including rollovers)	2a(1)(C)	1197	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		857508

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)	19764	
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		19764

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

(3) Rents	2b(3)		
-----------------	--------------	--	--

(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)		601513
(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)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1478785

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1660264	
(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)		1660264
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)	12505	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		12505
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1672769

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-193984
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		597965

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: J.H. COHN, LLP

(2) EIN: 22-1478099

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.).....	☒	☐	2587121
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.).....	☐	☒	
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.)	☐	☒	
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.).....	☐	☒	
e Was this plan covered by a fidelity bond?.....	☒	☐	500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	☐	☒	
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?	☐	☒	
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?	☐	☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	☒	☐	
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.).....	☐	☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....	☐	☒	
l Has the plan failed to provide any benefit when due under the plan?	☐	☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....	☐	☒	
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.	☐	☒	

- 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)
HAL-HEN CO., INC. 401(K) PLAN	11-2533816	001

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 <u>01/01/2010</u> and ending <u>12/31/2010</u>		
A Name of plan <u>WIDEX USA, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>	
C Plan sponsor's name as shown on line 2a of Form 5500 <u>WIDEX USA, INC.</u>	D Employer Identification Number (EIN) <u>99-0361726</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): 31-4156830

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	
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):

- 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): _____

**Widex USA, Inc. 401(k) Plan
(Formerly Widex Hearing Aid, Co. Inc. 401(k) Plan)**

**Report on Financial Statements
(With Supplementary Information)**

Year Ended December 31, 2010

WIDEX USA, INC. 401(k) PLAN

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Report of Independent Public Accountants

To the Trustees
Widex USA, Inc. 401(k) Plan

We were engaged to audit the accompanying statement of net assets available for benefits of Widex USA, Inc. 401(k) Plan (formerly Widex Hearing Aid, Co. Inc. 401(k) Plan) (the "Plan") as of December 31, 2010, and the related statement of changes in net assets available for benefits for the year then ended, and the supplemental schedule of assets (Held at End of Year) (Schedule H, Line 4i) as of December 31, 2010 and delinquent participant contributions (Schedule H, Line 4a) for the year ended December 31, 2010. These financial statements and supplemental schedules are the responsibility of the Plan's management. The financial statements of the Plan as of and for the year ended December 31, 2009 were audited by other auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan administrator instructed the other auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by the trustee. Their report dated September 30, 2010, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not, express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Trustee, were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 10, which was certified by Nationwide Financial Services, Inc., 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 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 in the Plan's 2010 financial statements and supplemental schedules that we did not audit, we are unable to, and do not, express an opinion on the accompanying 2010 financial statements and supplemental schedules taken as a whole. The form and content of the information included in the 2010 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

 J.H. Cohn LLP

Jericho, New York
February 29, 2012

WIDEX USA, INC. 401(k) PLAN

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
Assets:		
Investments, at fair value:		
Mutual funds	\$ 5,757,311	\$ 6,633,832
Money market fund	<u>1,079,776</u>	<u>898,198</u>
Total investments	<u>6,837,087</u>	<u>7,532,030</u>
Receivables:		
Participant contributions	36,370	44,555
Employer contributions	17,614	21,437
Notes receivable from participants	<u>379,212</u>	<u>463,371</u>
Total receivables	<u>433,196</u>	<u>529,363</u>
Total assets	<u>7,270,283</u>	<u>8,061,393</u>
Liabilities:		
Other liabilities	<u>1,702</u>	<u>863</u>
Total liabilities	<u>1,702</u>	<u>863</u>
Net assets available for benefits, as restated	<u>\$ 7,268,581</u>	<u>\$ 8,060,530</u>

WIDEX USA, INC. 401(k) PLAN

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2010**

Additions to net assets attributed to:

Investment income:

Net appreciation in fair value of investments \$ 601,513

Interest income on notes receivable from participants 19,764

Contributions:

Participant 607,266

Employer 249,045

Rollover 1,197

Total contributions 857,508

Total additions 1,478,785

Deductions from net assets attributed to:

Benefits paid to participants 1,660,264

Administrative expenses 12,505

Total deductions 1,672,769

Net decrease before transfer (193,984)

Assets transferred to other Plan 597,965

Net decrease (791,949)

Net assets available for benefits:

Beginning of year 8,060,530

End of year \$ 7,268,581

See Notes to Financial Statements.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 1 - Description of Plan:

The following description of the Widex USA, Inc. 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General:

The Plan is a defined contribution plan established to provide retirement benefits to eligible employees, as defined, of Widex USA, Inc. (the "Company" or the "Plan Sponsor") who have one year or 1,000 hours of service and are age 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Effective October 29, 2010, the Plan name was changed from Widex Hearing Aid Co., Inc. 401(k) Plan to Widex USA, Inc. 401(k) Plan.

Effective October 1, 2011, there is no service and age requirement for eligibility to make elective pretax contributions.

Contributions:

For 2010, participants can elect to contribute up to \$16,500 of their pre-tax annual compensation, as defined in the Plan, subject to certain limitations of the Internal Revenue Code (the "Code"). Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions up to \$5,500. Participants may also contribute amounts representing distributions from other qualified plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds as investments options for participants. The Company, at its discretion, may make matching contributions equal to 60% of the participant's deferral, limited to up to 5% of the participant's gross salary or wages. For 2010, the matching contributions are limited to 3% of the participant's gross salary or wages. The Company, at its discretion, may also contribute a profit-sharing contribution.

Participant accounts:

Each participant's account is credited with the participant's contribution, the Company's matching contributions, and allocations of the profit-sharing contributions, if any, and Plan earnings and losses, and charged with withdrawals. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Participants may direct their contributions into various investment options offered by the Plan. Company contributions are automatically invested in the funds as the employee directs. The Plan currently offers 13 mutual funds and 2 money markets fund as investment options for participants.

Vesting:

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of service. Participants vest in the Company's profit-sharing contributions at 25% per annum after completing 2 years of credited service until 100% vested after 5 years. Notwithstanding the foregoing, a participant becomes fully vested in the Company's contributions upon the earlier of: (i) retirement at age 65; (ii) total and permanent disability; (iii) age 65 while employed; and (iv) termination of employment by way of death.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 1 - Description of Plan (concluded):

Notes receivable from participants:

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of \$50,000 or 50% of the vested value of their account, whichever is less. The loans are secured by the balance in the participant's account and bear interest at rates commensurate with local prevailing rates as determined by the plan administrator and range from 4.25% to 9.25%. Principal and interest are paid ratably through payroll deductions over a one to five-year period, unless the loan is used to purchase a primary residence. Participants may not have more than one loan outstanding at any one time.

Withdrawals:

On termination of service due to death, disability, retirement or termination of employment in accordance with the Plan's provisions, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or installments payments, not to exceed the participants' life expectancy or the joint life expectancy of the participant and its beneficiary. In addition, participants are allowed to receive hardship distributions.

Forfeited accounts:

At December 31, 2010 and 2009, forfeited nonvested accounts totaled \$8,039 and \$4,982, respectively. These accounts will be used to reduce future employer contributions. During the year ended December 31, 2010, there were no amounts used to reduce employer contributions from forfeited nonvested accounts.

Note 2 - Summary of significant accounting policies:

Basis of accounting:

The financial statements of the Plan have been prepared on the accrual basis of accounting.

Use of estimates:

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

Investment valuation and income recognition:

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation, which is all attributable to mutual funds, includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes receivable from participants:

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

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of significant accounting policies (concluded):

Payment of benefits:

Benefits are recorded when paid.

Administrative expenses:

Certain administrative expenses of maintaining the Plan are paid by the Company while other expenses are charged to participant's accounts. Management fees and operating expenses charged to the Plan for investments in the mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected in net appreciation in fair market value of such investments.

Reclassification:

Certain prior year amounts have been reclassified to conform with the current year presentation.

Subsequent events:

The Plan has evaluated subsequent events through February 29, 2012, which is the date the financial statements were available to be issued.

Note 3 - Fair value measurements:

The Plan values its financial assets and liabilities based on 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. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Plan utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 3 - Fair value measurements (concluded):

Financial assets carried at fair value at December 31, 2010 and 2009 are classified in the tables below in one of the three categories described above:

<u>2010</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market fund		\$1,079,776		\$1,079,776
Mutual funds:				
Allocation funds	\$1,034,153			1,034,153
Blend funds	1,649,148			1,649,148
Equity fund	574,129			574,129
Government fund	930,837			930,837
Growth funds	1,569,044			1,569,044
Total assets at fair value	<u>\$5,757,311</u>	<u>\$1,079,776</u>	<u>\$ -</u>	<u>\$6,837,087</u>
<u>2009</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market fund		\$ 898,198		\$ 898,198
Mutual funds:				
Allocation funds	\$1,055,866			1,055,866
Blend funds	2,085,039			2,085,039
Equity fund	529,870			529,870
Government fund	838,656			838,656
Growth funds	2,124,401			2,124,401
Total assets at fair value	<u>\$6,633,832</u>	<u>\$ 898,198</u>	<u>\$ -</u>	<u>\$7,532,030</u>

Investments in mutual funds are valued using market prices on active markets (Level 1). Shares of mutual funds are valued at the net asset value of shares held by the Plan at year-end. Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

Investments in money market funds are classified as Level 2 and valued at amortized cost, which approximates the current fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at December 31, 2010 and 2009.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 4 - Investments:

The following presents investments that represent 5% or more of the Plan's net assets available for benefits as of December 31, 2010 and 2009:

	December 31, 2010	December 31, 2009
Nationwide Money Market Inst	\$ 1,063,000	\$ 884,663
Dreyfus S&P 500 Index Fund	777,701	930,769
Fidelity Advisors Balance Fund	568,959	529,701
Fidelity Advisors Contrafund Portfolio VIP	421,416	653,715
Janus Twenty Fund	1,349,097	1,912,898
Janus Worldwide Fund	574,129	529,870
AM Century Short Term Government Income Fund	930,837	838,656

Note 5 - Related party and parties-in-interest transactions:

During the year ended 2010, certain plan investments were in mutual funds and money market funds managed and held by Nationwide Financial Services, Inc. These transactions qualify as party-in-interest transactions.

Certain administrative functions are performed by the officers and employees of the Company (who may also be participants in the Plan) at no cost to the Plan.

Note 6 - 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 of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

Note 7 - Transfer of assets to Hal-Hen Co., Inc. 401(k) Plan:

On November 3, 2010, the Plan's Sponsor sold the assets of Widex USA, Inc. to Widex A/S, a Denmark-based hearing aid manufacturer and distributor. In conjunction with this transaction, certain plan participants transferred their account balances to a plan administered by the Hal-Hen Company, Inc. On December 16, 2010, a total of \$597,965 was transferred from the Plan.

Note 8 - Tax status:

The prototype plan sponsor has obtained an opinion letter dated March 31, 2008, in which the Internal Revenue Service (the "IRS") stated that the prototype plan document was in compliance with applicable requirements of the Code. Although the Plan has been amended since receiving the opinion letter, the plan administrator and the Plan's tax counsel believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code and, therefore, believe the Plan is qualified and the related trust is tax-exempt.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 8 - Tax status (concluded):

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not 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 that would require recognition of a liability (or asset) or disclosure in the financial statements. 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.

Note 9 - Risks and uncertainties:

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.

Note 10 - Certification by the trustee:

The following account balances and transactions were obtained from statements certified by Nationwide Financial Services, Inc.:

Statements of net assets available for benefits:
Investments

Statement of changes in net assets available for benefits:
Investment income

Schedule of assets (held at end of year) (Schedule H – line 4i)

Note 11 - Reconciliation of Financial Statements to Form 5500:

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

Net assets available for benefits per the financial statements	\$7,268,581
Amounts allocated to withdrawing participants	<u>(95,256)</u>
Net assets available for benefits per the Form 5500	<u>\$7,173,325</u>

The following is a reconciliation of benefit paid to participants per the financial statements for the year ended December 31, 2010 to Form 5500:

Benefits paid to participants per the financial statements	\$1,660,264
Amounts allocated to withdrawing participants as December 31, 2010	<u>95,256</u>
Benefits paid to participants per Form 5500	<u>\$1,755,520</u>

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 11 - Reconciliation of Financial Statements to Form 5500 (concluded):

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefits claims that have been processed and approved for payments prior to December 31, 2010, but not yet paid as of that date.

Note 12 - Nonexempt transactions:

As reported on the supplemental schedule of delinquent participant contributions (Schedule H, line 4a), certain Plan contributions were not remitted to the trust within the time frame specified by the DOL's Regulation 29 (CFR 2510.3-102), thus constituting nonexempt transactions between the Plan and the Company totaling \$2,587,121 for the years ended December 31, 2010, 2009 and 2008.

WIDEX USA, INC. 401(k) PLAN

EIN No.: 99-0361726

Plan No.: 001

SCHEDULE OF ASSETS (HELD AT END OF YEAR) (Schedule H, Line 4i)

DECEMBER 31, 2010

(a)	(b)	(c) Description of Investments Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Number of Shares/ Units	(d) Cost (A)	(e) Current Value
*	Nationwide Money Market Prime	CASH EQUIVALENT	966,053.63		\$ 16,776
*	Nationwide Money Market Inst	CASH EQUIVALENT	12,788.39		1,063,000
					<u>1,079,776</u>
*	Dreyfus Appreciation Fund Inc	MUTUAL FUND	218,029.97		324,035
*	Dreyfus S&P 500 Index Fund	MUTUAL FUND	424,861.20		777,701
*	Fidelity Advisors Balanced Fund	MUTUAL FUND	333,212.81		568,959
*	Fidelity Advisors Contrafund Portfolio VIP	MUTUAL FUND	152,918.37		421,416
*	Janus Twenty Fund	MUTUAL FUND	497,484.38		1,349,097
*	Janus Worldwide Fund	MUTUAL FUND	355,122.19		574,129
*	Nationwide Inv Dest Agg SC	MUTUAL FUND	13,997.63		125,996
*	Nationwide Inv Dest Cnsv SC	MUTUAL FUND	9,765.07		255,008
*	Nationwide Inv Dest Mod Aggr SC	MUTUAL FUND	188,231.69		19,979
*	Nationwide Inv Dest Mod Cnsv SC	MUTUAL FUND	41,181.08		57,825
*	Nationwide Inv Dest Mod SC	MUTUAL FUND	93,765.07		132,382
*	AM Century Ultra IC	MUTUAL FUND	138,161.54		219,947
*	AM Century Short Term Government Income Fund	MUTUAL FUND	614,958.19		930,837
					<u>5,757,311</u>
*	Participant loans	Interest rate 4.25% - 9.25%, secured by the participants' account balance			
				-	36,960
					<u>\$ 6,874,047</u>
	* Party -in- Interest (A) Cost not required				

WIDEX USA, INC. 401(k) PLAN

EIN No.: 99-0361726

Plan No.: 001

SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS (Schedule H, Line 4a)

DECEMBER 31, 2010

Total That Constitute
Nonexempt Prohibited Transactions

Participant Contributions Transferred Late to the Plan	Check Here if Late Participant Loan Repayments are Included	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under Voluntary Fiduciary Correction Program ("VFCP") and Prohibited Transaction Exemption 2002-51
<u>\$ 2,587,121</u>	✓	<u>\$ 2,587,121</u>	<u>\$ -</u>	<u>\$ 2,587,121</u>	<u>\$ -</u>

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>WIDEX USA, INC. 401(K) PLAN</u>	1b Three-digit plan number (PN) ▶	001	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>WIDEX USA, INC.</u> <u>35-53 24th STREET</u> <u>LONG ISLAND CITY</u> <u>NY 11106</u>			
1c Effective date of plan <u>01/01/1999</u>			
2b Employer Identification Number (EIN) <u>99-0361726</u>			
2c Sponsor's telephone number <u>(718) 392-6020</u>			
2d Business code (see instructions) <u>541990</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>2/29/2012</u>	FRANCESCA DINOTA
	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") SAME		3b Administrator's EIN
		3c Administrator's telephone number
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 <u>Widex Hearing Aid Co., Inc.</u>		4b EIN 11-1948546 4c PN 001
5 Total number of participants at the beginning of the plan year	5	288
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	219
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	45
d Subtotal. Add lines 6a, 6b, and 6c.....	6d	264
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e.....	6f	264
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	230
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	10
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: 2E 2F 2G 2J 2K 3D 3H		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:		
9a Plan funding arrangement (check all that apply)		9b Plan benefit arrangement (check all that apply)
(1) ☒ Insurance	(1) ☐ Insurance	
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts	
(3) ☒ Trust	(3) ☒ Trust	
(4) ☐ General assets of the sponsor	(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		b General Schedules
(1) ☒ R (Retirement Plan Information)	(1) ☒ H (Financial Information)	
(2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) ☐ I (Financial Information - Small Plan)	
(3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) ☒ <u>1</u> A (Insurance Information)	
	(4) ☒ C (Service Provider Information)	
	(5) ☒ D (DFE/Participating Plan Information)	
	(6) ☐ G (Financial Transaction Schedules)	

**Widex USA, Inc. 401(k) Plan
(Formerly Widex Hearing Aid, Co. Inc. 401(k) Plan)**

**Report on Financial Statements
(With Supplementary Information)**

Year Ended December 31, 2010

WIDEX USA, INC. 401(k) PLAN

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Report of Independent Public Accountants

To the Trustees
Widex USA, Inc. 401(k) Plan

We were engaged to audit the accompanying statement of net assets available for benefits of Widex USA, Inc. 401(k) Plan (formerly Widex Hearing Aid, Co. Inc. 401(k) Plan) (the "Plan") as of December 31, 2010, and the related statement of changes in net assets available for benefits for the year then ended, and the supplemental schedule of assets (Held at End of Year) (Schedule H, Line 4i) as of December 31, 2010 and delinquent participant contributions (Schedule H, Line 4a) for the year ended December 31, 2010. These financial statements and supplemental schedules are the responsibility of the Plan's management. The financial statements of the Plan as of and for the year ended December 31, 2009 were audited by other auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan administrator instructed the other auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by the trustee. Their report dated September 30, 2010, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not, express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Trustee, were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 10, which was certified by Nationwide Financial Services, Inc., 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 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 in the Plan's 2010 financial statements and supplemental schedules that we did not audit, we are unable to, and do not, express an opinion on the accompanying 2010 financial statements and supplemental schedules taken as a whole. The form and content of the information included in the 2010 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

 J.H. Cohn LLP

Jericho, New York
February 29, 2012

WIDEX USA, INC. 401(k) PLAN

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
Assets:		
Investments, at fair value:		
Mutual funds	\$ 5,757,311	\$ 6,633,832
Money market fund	<u>1,079,776</u>	<u>898,198</u>
Total investments	<u>6,837,087</u>	<u>7,532,030</u>
Receivables:		
Participant contributions	36,370	44,555
Employer contributions	17,614	21,437
Notes receivable from participants	<u>379,212</u>	<u>463,371</u>
Total receivables	<u>433,196</u>	<u>529,363</u>
Total assets	<u>7,270,283</u>	<u>8,061,393</u>
Liabilities:		
Other liabilities	<u>1,702</u>	<u>863</u>
Total liabilities	<u>1,702</u>	<u>863</u>
Net assets available for benefits, as restated	<u>\$ 7,268,581</u>	<u>\$ 8,060,530</u>

WIDEX USA, INC. 401(k) PLAN

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2010**

Additions to net assets attributed to:

Investment income:

Net appreciation in fair value of investments \$ 601,513

Interest income on notes receivable from participants 19,764

Contributions:

Participant 607,266

Employer 249,045

Rollover 1,197

Total contributions 857,508

Total additions 1,478,785

Deductions from net assets attributed to:

Benefits paid to participants 1,660,264

Administrative expenses 12,505

Total deductions 1,672,769

Net decrease before transfer (193,984)

Assets transferred to other Plan 597,965

Net decrease (791,949)

Net assets available for benefits:

Beginning of year 8,060,530

End of year \$ 7,268,581

See Notes to Financial Statements.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 1 - Description of Plan:

The following description of the Widex USA, Inc. 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General:

The Plan is a defined contribution plan established to provide retirement benefits to eligible employees, as defined, of Widex USA, Inc. (the "Company" or the "Plan Sponsor") who have one year or 1,000 hours of service and are age 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Effective October 29, 2010, the Plan name was changed from Widex Hearing Aid Co., Inc. 401(k) Plan to Widex USA, Inc. 401(k) Plan.

Effective October 1, 2011, there is no service and age requirement for eligibility to make elective pretax contributions.

Contributions:

For 2010, participants can elect to contribute up to \$16,500 of their pre-tax annual compensation, as defined in the Plan, subject to certain limitations of the Internal Revenue Code (the "Code"). Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions up to \$5,500. Participants may also contribute amounts representing distributions from other qualified plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds as investments options for participants. The Company, at its discretion, may make matching contributions equal to 60% of the participant's deferral, limited to up to 5% of the participant's gross salary or wages. For 2010, the matching contributions are limited to 3% of the participant's gross salary or wages. The Company, at its discretion, may also contribute a profit-sharing contribution.

Participant accounts:

Each participant's account is credited with the participant's contribution, the Company's matching contributions, and allocations of the profit-sharing contributions, if any, and Plan earnings and losses, and charged with withdrawals. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Participants may direct their contributions into various investment options offered by the Plan. Company contributions are automatically invested in the funds as the employee directs. The Plan currently offers 13 mutual funds and 2 money markets fund as investment options for participants.

Vesting:

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of service. Participants vest in the Company's profit-sharing contributions at 25% per annum after completing 2 years of credited service until 100% vested after 5 years. Notwithstanding the foregoing, a participant becomes fully vested in the Company's contributions upon the earlier of: (i) retirement at age 65; (ii) total and permanent disability; (iii) age 65 while employed; and (iv) termination of employment by way of death.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 1 - Description of Plan (concluded):

Notes receivable from participants:

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of \$50,000 or 50% of the vested value of their account, whichever is less. The loans are secured by the balance in the participant's account and bear interest at rates commensurate with local prevailing rates as determined by the plan administrator and range from 4.25% to 9.25%. Principal and interest are paid ratably through payroll deductions over a one to five-year period, unless the loan is used to purchase a primary residence. Participants may not have more than one loan outstanding at any one time.

Withdrawals:

On termination of service due to death, disability, retirement or termination of employment in accordance with the Plan's provisions, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or installments payments, not to exceed the participants' life expectancy or the joint life expectancy of the participant and its beneficiary. In addition, participants are allowed to receive hardship distributions.

Forfeited accounts:

At December 31, 2010 and 2009, forfeited nonvested accounts totaled \$8,039 and \$4,982, respectively. These accounts will be used to reduce future employer contributions. During the year ended December 31, 2010, there were no amounts used to reduce employer contributions from forfeited nonvested accounts.

Note 2 - Summary of significant accounting policies:

Basis of accounting:

The financial statements of the Plan have been prepared on the accrual basis of accounting.

Use of estimates:

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

Investment valuation and income recognition:

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation, which is all attributable to mutual funds, includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes receivable from participants:

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

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of significant accounting policies (concluded):

Payment of benefits:

Benefits are recorded when paid.

Administrative expenses:

Certain administrative expenses of maintaining the Plan are paid by the Company while other expenses are charged to participant's accounts. Management fees and operating expenses charged to the Plan for investments in the mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected in net appreciation in fair market value of such investments.

Reclassification:

Certain prior year amounts have been reclassified to conform with the current year presentation.

Subsequent events:

The Plan has evaluated subsequent events through February 29, 2012, which is the date the financial statements were available to be issued.

Note 3 - Fair value measurements:

The Plan values its financial assets and liabilities based on 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. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Plan utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 3 - Fair value measurements (concluded):

Financial assets carried at fair value at December 31, 2010 and 2009 are classified in the tables below in one of the three categories described above:

<u>2010</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market fund		\$1,079,776		\$1,079,776
Mutual funds:				
Allocation funds	\$1,034,153			1,034,153
Blend funds	1,649,148			1,649,148
Equity fund	574,129			574,129
Government fund	930,837			930,837
Growth funds	1,569,044			1,569,044
Total assets at fair value	<u>\$5,757,311</u>	<u>\$1,079,776</u>	<u>\$ -</u>	<u>\$6,837,087</u>
<u>2009</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market fund		\$ 898,198		\$ 898,198
Mutual funds:				
Allocation funds	\$1,055,866			1,055,866
Blend funds	2,085,039			2,085,039
Equity fund	529,870			529,870
Government fund	838,656			838,656
Growth funds	2,124,401			2,124,401
Total assets at fair value	<u>\$6,633,832</u>	<u>\$ 898,198</u>	<u>\$ -</u>	<u>\$7,532,030</u>

Investments in mutual funds are valued using market prices on active markets (Level 1). Shares of mutual funds are valued at the net asset value of shares held by the Plan at year-end. Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

Investments in money market funds are classified as Level 2 and valued at amortized cost, which approximates the current fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at December 31, 2010 and 2009.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 4 - Investments:

The following presents investments that represent 5% or more of the Plan's net assets available for benefits as of December 31, 2010 and 2009:

	December 31, 2010	December 31, 2009
Nationwide Money Market Inst	\$ 1,063,000	\$ 884,663
Dreyfus S&P 500 Index Fund	777,701	930,769
Fidelity Advisors Balance Fund	568,959	529,701
Fidelity Advisors Contrafund Portfolio VIP	421,416	653,715
Janus Twenty Fund	1,349,097	1,912,898
Janus Worldwide Fund	574,129	529,870
AM Century Short Term Government Income Fund	930,837	838,656

Note 5 - Related party and parties-in-interest transactions:

During the year ended 2010, certain plan investments were in mutual funds and money market funds managed and held by Nationwide Financial Services, Inc. These transactions qualify as party-in-interest transactions.

Certain administrative functions are performed by the officers and employees of the Company (who may also be participants in the Plan) at no cost to the Plan.

Note 6 - 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 of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

Note 7 - Transfer of assets to Hal-Hen Co., Inc. 401(k) Plan:

On November 3, 2010, the Plan's Sponsor sold the assets of Widex USA, Inc. to Widex A/S, a Denmark-based hearing aid manufacturer and distributor. In conjunction with this transaction, certain plan participants transferred their account balances to a plan administered by the Hal-Hen Company, Inc. On December 16, 2010, a total of \$597,965 was transferred from the Plan.

Note 8 - Tax status:

The prototype plan sponsor has obtained an opinion letter dated March 31, 2008, in which the Internal Revenue Service (the "IRS") stated that the prototype plan document was in compliance with applicable requirements of the Code. Although the Plan has been amended since receiving the opinion letter, the plan administrator and the Plan's tax counsel believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code and, therefore, believe the Plan is qualified and the related trust is tax-exempt.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 8 - Tax status (concluded):

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not 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 that would require recognition of a liability (or asset) or disclosure in the financial statements. 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.

Note 9 - Risks and uncertainties:

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.

Note 10 - Certification by the trustee:

The following account balances and transactions were obtained from statements certified by Nationwide Financial Services, Inc.:

Statements of net assets available for benefits:
Investments

Statement of changes in net assets available for benefits:
Investment income

Schedule of assets (held at end of year) (Schedule H – line 4i)

Note 11 - Reconciliation of Financial Statements to Form 5500:

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

Net assets available for benefits per the financial statements	\$7,268,581
Amounts allocated to withdrawing participants	<u>(95,256)</u>
Net assets available for benefits per the Form 5500	<u>\$7,173,325</u>

The following is a reconciliation of benefit paid to participants per the financial statements for the year ended December 31, 2010 to Form 5500:

Benefits paid to participants per the financial statements	\$1,660,264
Amounts allocated to withdrawing participants as December 31, 2010	<u>95,256</u>
Benefits paid to participants per Form 5500	<u>\$1,755,520</u>

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 11 - Reconciliation of Financial Statements to Form 5500 (concluded):

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefits claims that have been processed and approved for payments prior to December 31, 2010, but not yet paid as of that date.

Note 12 - Nonexempt transactions:

As reported on the supplemental schedule of delinquent participant contributions (Schedule H, line 4a), certain Plan contributions were not remitted to the trust within the time frame specified by the DOL's Regulation 29 (CFR 2510.3-102), thus constituting nonexempt transactions between the Plan and the Company totaling \$2,587,121 for the years ended December 31, 2010, 2009 and 2008.

WIDEX USA, INC. 401(k) PLAN

EIN No.: 99-0361726

Plan No.: 001

SCHEDULE OF ASSETS (HELD AT END OF YEAR) (Schedule H, Line 4i)

DECEMBER 31, 2010

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor or Similar Party	Description of Investments Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Number of Shares/ Units	Current Value
*	Nationwide Money Market Prime	CASH EQUIVALENT	966,053.63	\$ 16,776
*	Nationwide Money Market Inst	CASH EQUIVALENT	12,788.39	1,063,000
				<u>1,079,776</u>
*	Dreyfus Appreciation Fund Inc	MUTUAL FUND	218,029.97	324,035
*	Dreyfus S&P 500 Index Fund	MUTUAL FUND	424,861.20	777,701
*	Fidelity Advisors Balanced Fund	MUTUAL FUND	333,212.81	568,959
*	Fidelity Advisors Contrafund Portfolio VIP	MUTUAL FUND	152,918.37	421,416
*	Janus Twenty Fund	MUTUAL FUND	497,484.38	1,349,097
*	Janus Worldwide Fund	MUTUAL FUND	355,122.19	574,129
*	Nationwide Inv Dest Agg SC	MUTUAL FUND	13,997.63	125,996
*	Nationwide Inv Dest Cnsvr SC	MUTUAL FUND	9,765.07	255,008
*	Nationwide Inv Dest Mod Aggr SC	MUTUAL FUND	188,231.69	19,979
*	Nationwide Inv Dest Mod Cnsvr SC	MUTUAL FUND	41,181.08	57,825
*	Nationwide Inv Dest Mod SC	MUTUAL FUND	93,765.07	132,382
*	AM Century Ultra IC	MUTUAL FUND	138,161.54	219,947
*	AM Century Short Term Government Income Fund	MUTUAL FUND	614,958.19	930,837
				<u>5,757,311</u>
*	Participant loans	Interest rate 4.25% - 9.25%, secured by the participants' account balance	-	<u>36,960</u>
				<u>\$ 6,874,047</u>
*	Party -in- Interest			
	(A) Cost not required			

WIDEX USA, INC. 401(k) PLAN

EIN No.: 99-0361726

Plan No.: 001

SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS (Schedule H, Line 4a)

DECEMBER 31, 2010

Total That Constitute
Nonexempt Prohibited Transactions

Participant Contributions Transferred Late to the Plan	Check Here if Late Participant Loan Repayments are Included	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under Voluntary Fiduciary Correction Program ("VFCP") and Prohibited Transaction Exemption 2002-51
<u>\$ 2,587,121</u>	✓	<u>\$ 2,587,121</u>	<u>\$ -</u>	<u>\$ 2,587,121</u>	<u>\$ -</u>

**Widex USA, Inc. 401(k) Plan
(Formerly Widex Hearing Aid, Co. Inc. 401(k) Plan)**

**Report on Financial Statements
(With Supplementary Information)**

Year Ended December 31, 2010

WIDEX USA, INC. 401(k) PLAN

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Report of Independent Public Accountants

To the Trustees
Widex USA, Inc. 401(k) Plan

We were engaged to audit the accompanying statement of net assets available for benefits of Widex USA, Inc. 401(k) Plan (formerly Widex Hearing Aid, Co. Inc. 401(k) Plan) (the "Plan") as of December 31, 2010, and the related statement of changes in net assets available for benefits for the year then ended, and the supplemental schedule of assets (Held at End of Year) (Schedule H, Line 4i) as of December 31, 2010 and delinquent participant contributions (Schedule H, Line 4a) for the year ended December 31, 2010. These financial statements and supplemental schedules are the responsibility of the Plan's management. The financial statements of the Plan as of and for the year ended December 31, 2009 were audited by other auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan administrator instructed the other auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by the trustee. Their report dated September 30, 2010, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not, express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Trustee, were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 10, which was certified by Nationwide Financial Services, Inc., 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 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 in the Plan's 2010 financial statements and supplemental schedules that we did not audit, we are unable to, and do not, express an opinion on the accompanying 2010 financial statements and supplemental schedules taken as a whole. The form and content of the information included in the 2010 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

 J.H. Cohn LLP

Jericho, New York
February 29, 2012

WIDEX USA, INC. 401(k) PLAN

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
Assets:		
Investments, at fair value:		
Mutual funds	\$ 5,757,311	\$ 6,633,832
Money market fund	<u>1,079,776</u>	<u>898,198</u>
Total investments	<u>6,837,087</u>	<u>7,532,030</u>
Receivables:		
Participant contributions	36,370	44,555
Employer contributions	17,614	21,437
Notes receivable from participants	<u>379,212</u>	<u>463,371</u>
Total receivables	<u>433,196</u>	<u>529,363</u>
Total assets	<u>7,270,283</u>	<u>8,061,393</u>
Liabilities:		
Other liabilities	<u>1,702</u>	<u>863</u>
Total liabilities	<u>1,702</u>	<u>863</u>
Net assets available for benefits, as restated	<u>\$ 7,268,581</u>	<u>\$ 8,060,530</u>

WIDEX USA, INC. 401(k) PLAN

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2010**

Additions to net assets attributed to:

Investment income:

Net appreciation in fair value of investments \$ 601,513

Interest income on notes receivable from participants 19,764

Contributions:

Participant 607,266

Employer 249,045

Rollover 1,197

Total contributions 857,508

Total additions 1,478,785

Deductions from net assets attributed to:

Benefits paid to participants 1,660,264

Administrative expenses 12,505

Total deductions 1,672,769

Net decrease before transfer (193,984)

Assets transferred to other Plan 597,965

Net decrease (791,949)

Net assets available for benefits:

Beginning of year 8,060,530

End of year \$ 7,268,581

See Notes to Financial Statements.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 1 - Description of Plan:

The following description of the Widex USA, Inc. 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General:

The Plan is a defined contribution plan established to provide retirement benefits to eligible employees, as defined, of Widex USA, Inc. (the "Company" or the "Plan Sponsor") who have one year or 1,000 hours of service and are age 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Effective October 29, 2010, the Plan name was changed from Widex Hearing Aid Co., Inc. 401(k) Plan to Widex USA, Inc. 401(k) Plan.

Effective October 1, 2011, there is no service and age requirement for eligibility to make elective pretax contributions.

Contributions:

For 2010, participants can elect to contribute up to \$16,500 of their pre-tax annual compensation, as defined in the Plan, subject to certain limitations of the Internal Revenue Code (the "Code"). Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions up to \$5,500. Participants may also contribute amounts representing distributions from other qualified plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds as investments options for participants. The Company, at its discretion, may make matching contributions equal to 60% of the participant's deferral, limited to up to 5% of the participant's gross salary or wages. For 2010, the matching contributions are limited to 3% of the participant's gross salary or wages. The Company, at its discretion, may also contribute a profit-sharing contribution.

Participant accounts:

Each participant's account is credited with the participant's contribution, the Company's matching contributions, and allocations of the profit-sharing contributions, if any, and Plan earnings and losses, and charged with withdrawals. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Participants may direct their contributions into various investment options offered by the Plan. Company contributions are automatically invested in the funds as the employee directs. The Plan currently offers 13 mutual funds and 2 money markets fund as investment options for participants.

Vesting:

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of service. Participants vest in the Company's profit-sharing contributions at 25% per annum after completing 2 years of credited service until 100% vested after 5 years. Notwithstanding the foregoing, a participant becomes fully vested in the Company's contributions upon the earlier of: (i) retirement at age 65; (ii) total and permanent disability; (iii) age 65 while employed; and (iv) termination of employment by way of death.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 1 - Description of Plan (concluded):

Notes receivable from participants:

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of \$50,000 or 50% of the vested value of their account, whichever is less. The loans are secured by the balance in the participant's account and bear interest at rates commensurate with local prevailing rates as determined by the plan administrator and range from 4.25% to 9.25%. Principal and interest are paid ratably through payroll deductions over a one to five-year period, unless the loan is used to purchase a primary residence. Participants may not have more than one loan outstanding at any one time.

Withdrawals:

On termination of service due to death, disability, retirement or termination of employment in accordance with the Plan's provisions, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or installments payments, not to exceed the participants' life expectancy or the joint life expectancy of the participant and its beneficiary. In addition, participants are allowed to receive hardship distributions.

Forfeited accounts:

At December 31, 2010 and 2009, forfeited nonvested accounts totaled \$8,039 and \$4,982, respectively. These accounts will be used to reduce future employer contributions. During the year ended December 31, 2010, there were no amounts used to reduce employer contributions from forfeited nonvested accounts.

Note 2 - Summary of significant accounting policies:

Basis of accounting:

The financial statements of the Plan have been prepared on the accrual basis of accounting.

Use of estimates:

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

Investment valuation and income recognition:

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation, which is all attributable to mutual funds, includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes receivable from participants:

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

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of significant accounting policies (concluded):

Payment of benefits:

Benefits are recorded when paid.

Administrative expenses:

Certain administrative expenses of maintaining the Plan are paid by the Company while other expenses are charged to participant's accounts. Management fees and operating expenses charged to the Plan for investments in the mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected in net appreciation in fair market value of such investments.

Reclassification:

Certain prior year amounts have been reclassified to conform with the current year presentation.

Subsequent events:

The Plan has evaluated subsequent events through February 29, 2012, which is the date the financial statements were available to be issued.

Note 3 - Fair value measurements:

The Plan values its financial assets and liabilities based on 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. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Plan utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 3 - Fair value measurements (concluded):

Financial assets carried at fair value at December 31, 2010 and 2009 are classified in the tables below in one of the three categories described above:

<u>2010</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market fund		\$1,079,776		\$1,079,776
Mutual funds:				
Allocation funds	\$1,034,153			1,034,153
Blend funds	1,649,148			1,649,148
Equity fund	574,129			574,129
Government fund	930,837			930,837
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Total assets at fair value	<u>\$5,757,311</u>	<u>\$1,079,776</u>	<u>\$ -</u>	<u>\$6,837,087</u>
<u>2009</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market fund		\$ 898,198		\$ 898,198
Mutual funds:				
Allocation funds	\$1,055,866			1,055,866
Blend funds	2,085,039			2,085,039
Equity fund	529,870			529,870
Government fund	838,656			838,656
Growth funds	2,124,401			2,124,401
Total assets at fair value	<u>\$6,633,832</u>	<u>\$ 898,198</u>	<u>\$ -</u>	<u>\$7,532,030</u>

Investments in mutual funds are valued using market prices on active markets (Level 1). Shares of mutual funds are valued at the net asset value of shares held by the Plan at year-end. Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

Investments in money market funds are classified as Level 2 and valued at amortized cost, which approximates the current fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at December 31, 2010 and 2009.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 4 - Investments:

The following presents investments that represent 5% or more of the Plan's net assets available for benefits as of December 31, 2010 and 2009:

	December 31, 2010	December 31, 2009
Nationwide Money Market Inst	\$ 1,063,000	\$ 884,663
Dreyfus S&P 500 Index Fund	777,701	930,769
Fidelity Advisors Balance Fund	568,959	529,701
Fidelity Advisors Contrafund Portfolio VIP	421,416	653,715
Janus Twenty Fund	1,349,097	1,912,898
Janus Worldwide Fund	574,129	529,870
AM Century Short Term Government Income Fund	930,837	838,656

Note 5 - Related party and parties-in-interest transactions:

During the year ended 2010, certain plan investments were in mutual funds and money market funds managed and held by Nationwide Financial Services, Inc. These transactions qualify as party-in-interest transactions.

Certain administrative functions are performed by the officers and employees of the Company (who may also be participants in the Plan) at no cost to the Plan.

Note 6 - 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 of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

Note 7 - Transfer of assets to Hal-Hen Co., Inc. 401(k) Plan:

On November 3, 2010, the Plan's Sponsor sold the assets of Widex USA, Inc. to Widex A/S, a Denmark-based hearing aid manufacturer and distributor. In conjunction with this transaction, certain plan participants transferred their account balances to a plan administered by the Hal-Hen Company, Inc. On December 16, 2010, a total of \$597,965 was transferred from the Plan.

Note 8 - Tax status:

The prototype plan sponsor has obtained an opinion letter dated March 31, 2008, in which the Internal Revenue Service (the "IRS") stated that the prototype plan document was in compliance with applicable requirements of the Code. Although the Plan has been amended since receiving the opinion letter, the plan administrator and the Plan's tax counsel believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code and, therefore, believe the Plan is qualified and the related trust is tax-exempt.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 8 - Tax status (concluded):

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not 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 that would require recognition of a liability (or asset) or disclosure in the financial statements. 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.

Note 9 - Risks and uncertainties:

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.

Note 10 - Certification by the trustee:

The following account balances and transactions were obtained from statements certified by Nationwide Financial Services, Inc.:

Statements of net assets available for benefits:
Investments

Statement of changes in net assets available for benefits:
Investment income

Schedule of assets (held at end of year) (Schedule H – line 4i)

Note 11 - Reconciliation of Financial Statements to Form 5500:

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

Net assets available for benefits per the financial statements	\$7,268,581
Amounts allocated to withdrawing participants	<u>(95,256)</u>
Net assets available for benefits per the Form 5500	<u>\$7,173,325</u>

The following is a reconciliation of benefit paid to participants per the financial statements for the year ended December 31, 2010 to Form 5500:

Benefits paid to participants per the financial statements	\$1,660,264
Amounts allocated to withdrawing participants as December 31, 2010	<u>95,256</u>
Benefits paid to participants per Form 5500	<u>\$1,755,520</u>

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 11 - Reconciliation of Financial Statements to Form 5500 (concluded):

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefits claims that have been processed and approved for payments prior to December 31, 2010, but not yet paid as of that date.

Note 12 - Nonexempt transactions:

As reported on the supplemental schedule of delinquent participant contributions (Schedule H, line 4a), certain Plan contributions were not remitted to the trust within the time frame specified by the DOL's Regulation 29 (CFR 2510.3-102), thus constituting nonexempt transactions between the Plan and the Company totaling \$2,587,121 for the years ended December 31, 2010, 2009 and 2008.

WIDEX USA, INC. 401(k) PLAN

EIN No.: 99-0361726

Plan No.: 001

SCHEDULE OF ASSETS (HELD AT END OF YEAR) (Schedule H, Line 4i)

DECEMBER 31, 2010

(a)	(b)	(c) Description of Investments Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Number of Shares/ Units	(d) Cost (A)	(e) Current Value
*	Nationwide Money Market Prime	CASH EQUIVALENT	966,053.63		\$ 16,776
*	Nationwide Money Market Inst	CASH EQUIVALENT	12,788.39		1,063,000
					<u>1,079,776</u>
*	Dreyfus Appreciation Fund Inc	MUTUAL FUND	218,029.97		324,035
*	Dreyfus S&P 500 Index Fund	MUTUAL FUND	424,861.20		777,701
*	Fidelity Advisors Balanced Fund	MUTUAL FUND	333,212.81		568,959
*	Fidelity Advisors Contrafund Portfolio VIP	MUTUAL FUND	152,918.37		421,416
*	Janus Twenty Fund	MUTUAL FUND	497,484.38		1,349,097
*	Janus Worldwide Fund	MUTUAL FUND	355,122.19		574,129
*	Nationwide Inv Dest Agg SC	MUTUAL FUND	13,997.63		125,996
*	Nationwide Inv Dest Cnsv SC	MUTUAL FUND	9,765.07		255,008
*	Nationwide Inv Dest Mod Aggr SC	MUTUAL FUND	188,231.69		19,979
*	Nationwide Inv Dest Mod Cnsv SC	MUTUAL FUND	41,181.08		57,825
*	Nationwide Inv Dest Mod SC	MUTUAL FUND	93,765.07		132,382
*	AM Century Ultra IC	MUTUAL FUND	138,161.54		219,947
*	AM Century Short Term Government Income Fund	MUTUAL FUND	614,958.19		930,837
					<u>5,757,311</u>
*	Participant loans	Interest rate 4.25% - 9.25%, secured by the participants' account balance			
					36,960
					<u>\$ 6,874,047</u>
*	Party -in- Interest				
	(A) Cost not required				

WIDEX USA, INC. 401(k) PLAN

EIN No.: 99-0361726

Plan No.: 001

SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS (Schedule H, Line 4a)

DECEMBER 31, 2010

Total That Constitute
Nonexempt Prohibited Transactions

Participant Contributions Transferred Late to the Plan	Check Here if Late Participant Loan Repayments are Included	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under Voluntary Fiduciary Correction Program ("VFCP") and Prohibited Transaction Exemption 2002-51
<u>\$ 2,587,121</u>	✓	<u>\$ 2,587,121</u>	<u>\$ -</u>	<u>\$ 2,587,121</u>	<u>\$ -</u>

**Widex USA, Inc. 401(k) Plan
(Formerly Widex Hearing Aid, Co. Inc. 401(k) Plan)**

**Report on Financial Statements
(With Supplementary Information)**

Year Ended December 31, 2010

WIDEX USA, INC. 401(k) PLAN

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Report of Independent Public Accountants

To the Trustees
Widex USA, Inc. 401(k) Plan

We were engaged to audit the accompanying statement of net assets available for benefits of Widex USA, Inc. 401(k) Plan (formerly Widex Hearing Aid, Co. Inc. 401(k) Plan) (the "Plan") as of December 31, 2010, and the related statement of changes in net assets available for benefits for the year then ended, and the supplemental schedule of assets (Held at End of Year) (Schedule H, Line 4i) as of December 31, 2010 and delinquent participant contributions (Schedule H, Line 4a) for the year ended December 31, 2010. These financial statements and supplemental schedules are the responsibility of the Plan's management. The financial statements of the Plan as of and for the year ended December 31, 2009 were audited by other auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan administrator instructed the other auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by the trustee. Their report dated September 30, 2010, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not, express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Trustee, were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 10, which was certified by Nationwide Financial Services, Inc., 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 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 in the Plan's 2010 financial statements and supplemental schedules that we did not audit, we are unable to, and do not, express an opinion on the accompanying 2010 financial statements and supplemental schedules taken as a whole. The form and content of the information included in the 2010 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

 J.H. Cohn LLP

Jericho, New York
February 29, 2012

WIDEX USA, INC. 401(k) PLAN

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
Assets:		
Investments, at fair value:		
Mutual funds	\$ 5,757,311	\$ 6,633,832
Money market fund	<u>1,079,776</u>	<u>898,198</u>
Total investments	<u>6,837,087</u>	<u>7,532,030</u>
Receivables:		
Participant contributions	36,370	44,555
Employer contributions	17,614	21,437
Notes receivable from participants	<u>379,212</u>	<u>463,371</u>
Total receivables	<u>433,196</u>	<u>529,363</u>
Total assets	<u>7,270,283</u>	<u>8,061,393</u>
Liabilities:		
Other liabilities	<u>1,702</u>	<u>863</u>
Total liabilities	<u>1,702</u>	<u>863</u>
Net assets available for benefits, as restated	<u>\$ 7,268,581</u>	<u>\$ 8,060,530</u>

WIDEX USA, INC. 401(k) PLAN

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2010**

Additions to net assets attributed to:

Investment income:

Net appreciation in fair value of investments \$ 601,513

Interest income on notes receivable from participants 19,764

Contributions:

Participant 607,266

Employer 249,045

Rollover 1,197

Total contributions 857,508

Total additions 1,478,785

Deductions from net assets attributed to:

Benefits paid to participants 1,660,264

Administrative expenses 12,505

Total deductions 1,672,769

Net decrease before transfer (193,984)

Assets transferred to other Plan 597,965

Net decrease (791,949)

Net assets available for benefits:

Beginning of year 8,060,530

End of year \$ 7,268,581

See Notes to Financial Statements.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 1 - Description of Plan:

The following description of the Widex USA, Inc. 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General:

The Plan is a defined contribution plan established to provide retirement benefits to eligible employees, as defined, of Widex USA, Inc. (the "Company" or the "Plan Sponsor") who have one year or 1,000 hours of service and are age 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Effective October 29, 2010, the Plan name was changed from Widex Hearing Aid Co., Inc. 401(k) Plan to Widex USA, Inc. 401(k) Plan.

Effective October 1, 2011, there is no service and age requirement for eligibility to make elective pretax contributions.

Contributions:

For 2010, participants can elect to contribute up to \$16,500 of their pre-tax annual compensation, as defined in the Plan, subject to certain limitations of the Internal Revenue Code (the "Code"). Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions up to \$5,500. Participants may also contribute amounts representing distributions from other qualified plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds as investments options for participants. The Company, at its discretion, may make matching contributions equal to 60% of the participant's deferral, limited to up to 5% of the participant's gross salary or wages. For 2010, the matching contributions are limited to 3% of the participant's gross salary or wages. The Company, at its discretion, may also contribute a profit-sharing contribution.

Participant accounts:

Each participant's account is credited with the participant's contribution, the Company's matching contributions, and allocations of the profit-sharing contributions, if any, and Plan earnings and losses, and charged with withdrawals. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Participants may direct their contributions into various investment options offered by the Plan. Company contributions are automatically invested in the funds as the employee directs. The Plan currently offers 13 mutual funds and 2 money markets fund as investment options for participants.

Vesting:

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of service. Participants vest in the Company's profit-sharing contributions at 25% per annum after completing 2 years of credited service until 100% vested after 5 years. Notwithstanding the foregoing, a participant becomes fully vested in the Company's contributions upon the earlier of: (i) retirement at age 65; (ii) total and permanent disability; (iii) age 65 while employed; and (iv) termination of employment by way of death.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 1 - Description of Plan (concluded):

Notes receivable from participants:

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of \$50,000 or 50% of the vested value of their account, whichever is less. The loans are secured by the balance in the participant's account and bear interest at rates commensurate with local prevailing rates as determined by the plan administrator and range from 4.25% to 9.25%. Principal and interest are paid ratably through payroll deductions over a one to five-year period, unless the loan is used to purchase a primary residence. Participants may not have more than one loan outstanding at any one time.

Withdrawals:

On termination of service due to death, disability, retirement or termination of employment in accordance with the Plan's provisions, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or installments payments, not to exceed the participants' life expectancy or the joint life expectancy of the participant and its beneficiary. In addition, participants are allowed to receive hardship distributions.

Forfeited accounts:

At December 31, 2010 and 2009, forfeited nonvested accounts totaled \$8,039 and \$4,982, respectively. These accounts will be used to reduce future employer contributions. During the year ended December 31, 2010, there were no amounts used to reduce employer contributions from forfeited nonvested accounts.

Note 2 - Summary of significant accounting policies:

Basis of accounting:

The financial statements of the Plan have been prepared on the accrual basis of accounting.

Use of estimates:

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

Investment valuation and income recognition:

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation, which is all attributable to mutual funds, includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes receivable from participants:

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

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of significant accounting policies (concluded):

Payment of benefits:

Benefits are recorded when paid.

Administrative expenses:

Certain administrative expenses of maintaining the Plan are paid by the Company while other expenses are charged to participant's accounts. Management fees and operating expenses charged to the Plan for investments in the mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected in net appreciation in fair market value of such investments.

Reclassification:

Certain prior year amounts have been reclassified to conform with the current year presentation.

Subsequent events:

The Plan has evaluated subsequent events through February 29, 2012, which is the date the financial statements were available to be issued.

Note 3 - Fair value measurements:

The Plan values its financial assets and liabilities based on 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. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Plan utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 3 - Fair value measurements (concluded):

Financial assets carried at fair value at December 31, 2010 and 2009 are classified in the tables below in one of the three categories described above:

<u>2010</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market fund		\$1,079,776		\$1,079,776
Mutual funds:				
Allocation funds	\$1,034,153			1,034,153
Blend funds	1,649,148			1,649,148
Equity fund	574,129			574,129
Government fund	930,837			930,837
Growth funds	1,569,044			1,569,044
Total assets at fair value	<u>\$5,757,311</u>	<u>\$1,079,776</u>	<u>\$ -</u>	<u>\$6,837,087</u>
<u>2009</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market fund		\$ 898,198		\$ 898,198
Mutual funds:				
Allocation funds	\$1,055,866			1,055,866
Blend funds	2,085,039			2,085,039
Equity fund	529,870			529,870
Government fund	838,656			838,656
Growth funds	2,124,401			2,124,401
Total assets at fair value	<u>\$6,633,832</u>	<u>\$ 898,198</u>	<u>\$ -</u>	<u>\$7,532,030</u>

Investments in mutual funds are valued using market prices on active markets (Level 1). Shares of mutual funds are valued at the net asset value of shares held by the Plan at year-end. Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

Investments in money market funds are classified as Level 2 and valued at amortized cost, which approximates the current fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at December 31, 2010 and 2009.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 4 - Investments:

The following presents investments that represent 5% or more of the Plan's net assets available for benefits as of December 31, 2010 and 2009:

	December 31, 2010	December 31, 2009
Nationwide Money Market Inst	\$ 1,063,000	\$ 884,663
Dreyfus S&P 500 Index Fund	777,701	930,769
Fidelity Advisors Balance Fund	568,959	529,701
Fidelity Advisors Contrafund Portfolio VIP	421,416	653,715
Janus Twenty Fund	1,349,097	1,912,898
Janus Worldwide Fund	574,129	529,870
AM Century Short Term Government Income Fund	930,837	838,656

Note 5 - Related party and parties-in-interest transactions:

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Certain administrative functions are performed by the officers and employees of the Company (who may also be participants in the Plan) at no cost to the Plan.

Note 6 - 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 of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

Note 7 - Transfer of assets to Hal-Hen Co., Inc. 401(k) Plan:

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Note 8 - Tax status:

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WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 8 - Tax status (concluded):

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not 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 that would require recognition of a liability (or asset) or disclosure in the financial statements. 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.

Note 9 - Risks and uncertainties:

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.

Note 10 - Certification by the trustee:

The following account balances and transactions were obtained from statements certified by Nationwide Financial Services, Inc.:

Statements of net assets available for benefits:
Investments

Statement of changes in net assets available for benefits:
Investment income

Schedule of assets (held at end of year) (Schedule H – line 4i)

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

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Amounts allocated to withdrawing participants	<u>(95,256)</u>
Net assets available for benefits per the Form 5500	<u>\$7,173,325</u>

The following is a reconciliation of benefit paid to participants per the financial statements for the year ended December 31, 2010 to Form 5500:

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Benefits paid to participants per Form 5500	<u>\$1,755,520</u>

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

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Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefits claims that have been processed and approved for payments prior to December 31, 2010, but not yet paid as of that date.

Note 12 - Nonexempt transactions:

As reported on the supplemental schedule of delinquent participant contributions (Schedule H, line 4a), certain Plan contributions were not remitted to the trust within the time frame specified by the DOL's Regulation 29 (CFR 2510.3-102), thus constituting nonexempt transactions between the Plan and the Company totaling \$2,587,121 for the years ended December 31, 2010, 2009 and 2008.

WIDEX USA, INC. 401(k) PLAN

EIN No.: 99-0361726

Plan No.: 001

SCHEDULE OF ASSETS (HELD AT END OF YEAR) (Schedule H, Line 4i)

DECEMBER 31, 2010

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor or Similar Party	Description of Investments Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Number of Shares/ Units	Current Value
*	Nationwide Money Market Prime	CASH EQUIVALENT	966,053.63	\$ 16,776
*	Nationwide Money Market Inst	CASH EQUIVALENT	12,788.39	1,063,000
				<u>1,079,776</u>
*	Dreyfus Appreciation Fund Inc	MUTUAL FUND	218,029.97	324,035
*	Dreyfus S&P 500 Index Fund	MUTUAL FUND	424,861.20	777,701
*	Fidelity Advisors Balanced Fund	MUTUAL FUND	333,212.81	568,959
*	Fidelity Advisors Contrafund Portfolio VIP	MUTUAL FUND	152,918.37	421,416
*	Janus Twenty Fund	MUTUAL FUND	497,484.38	1,349,097
*	Janus Worldwide Fund	MUTUAL FUND	355,122.19	574,129
*	Nationwide Inv Dest Agg SC	MUTUAL FUND	13,997.63	125,996
*	Nationwide Inv Dest Cnsv SC	MUTUAL FUND	9,765.07	255,008
*	Nationwide Inv Dest Mod Aggr SC	MUTUAL FUND	188,231.69	19,979
*	Nationwide Inv Dest Mod Cnsv SC	MUTUAL FUND	41,181.08	57,825
*	Nationwide Inv Dest Mod SC	MUTUAL FUND	93,765.07	132,382
*	AM Century Ultra IC	MUTUAL FUND	138,161.54	219,947
*	AM Century Short Term Government Income Fund	MUTUAL FUND	614,958.19	930,837
				<u>5,757,311</u>
*	Participant loans	Interest rate 4.25% - 9.25%, secured by the participants' account balance	-	<u>36,960</u>
				<u>\$ 6,874,047</u>
*	Party -in- Interest			
(A)	Cost not required			

WIDEX USA, INC. 401(k) PLAN

EIN No.: 99-0361726

Plan No.: 001

SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS (Schedule H, Line 4a)

DECEMBER 31, 2010

Total That Constitute
Nonexempt Prohibited Transactions

Participant Contributions Transferred Late to the Plan	Check Here if Late Participant Loan Repayments are Included	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under Voluntary Fiduciary Correction Program ("VFCP") and Prohibited Transaction Exemption 2002-51
<u>\$ 2,587,121</u>	✓	<u>\$ 2,587,121</u>	<u>\$ -</u>	<u>\$ 2,587,121</u>	<u>\$ -</u>

**Widex USA, Inc. 401(k) Plan
(Formerly Widex Hearing Aid, Co. Inc. 401(k) Plan)**

**Report on Financial Statements
(With Supplementary Information)**

Year Ended December 31, 2010

WIDEX USA, INC. 401(k) PLAN

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Report of Independent Public Accountants

To the Trustees
Widex USA, Inc. 401(k) Plan

We were engaged to audit the accompanying statement of net assets available for benefits of Widex USA, Inc. 401(k) Plan (formerly Widex Hearing Aid, Co. Inc. 401(k) Plan) (the "Plan") as of December 31, 2010, and the related statement of changes in net assets available for benefits for the year then ended, and the supplemental schedule of assets (Held at End of Year) (Schedule H, Line 4i) as of December 31, 2010 and delinquent participant contributions (Schedule H, Line 4a) for the year ended December 31, 2010. These financial statements and supplemental schedules are the responsibility of the Plan's management. The financial statements of the Plan as of and for the year ended December 31, 2009 were audited by other auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan administrator instructed the other auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by the trustee. Their report dated September 30, 2010, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not, express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Trustee, were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 10, which was certified by Nationwide Financial Services, Inc., 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 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 in the Plan's 2010 financial statements and supplemental schedules that we did not audit, we are unable to, and do not, express an opinion on the accompanying 2010 financial statements and supplemental schedules taken as a whole. The form and content of the information included in the 2010 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

 J.H. Cohn LLP

Jericho, New York
February 29, 2012

WIDEX USA, INC. 401(k) PLAN

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
Assets:		
Investments, at fair value:		
Mutual funds	\$ 5,757,311	\$ 6,633,832
Money market fund	<u>1,079,776</u>	<u>898,198</u>
Total investments	<u>6,837,087</u>	<u>7,532,030</u>
Receivables:		
Participant contributions	36,370	44,555
Employer contributions	17,614	21,437
Notes receivable from participants	<u>379,212</u>	<u>463,371</u>
Total receivables	<u>433,196</u>	<u>529,363</u>
Total assets	<u>7,270,283</u>	<u>8,061,393</u>
Liabilities:		
Other liabilities	<u>1,702</u>	<u>863</u>
Total liabilities	<u>1,702</u>	<u>863</u>
Net assets available for benefits, as restated	<u>\$ 7,268,581</u>	<u>\$ 8,060,530</u>

WIDEX USA, INC. 401(k) PLAN

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2010**

Additions to net assets attributed to:

Investment income:

Net appreciation in fair value of investments \$ 601,513

Interest income on notes receivable from participants 19,764

Contributions:

Participant 607,266

Employer 249,045

Rollover 1,197

Total contributions 857,508

Total additions 1,478,785

Deductions from net assets attributed to:

Benefits paid to participants 1,660,264

Administrative expenses 12,505

Total deductions 1,672,769

Net decrease before transfer (193,984)

Assets transferred to other Plan 597,965

Net decrease (791,949)

Net assets available for benefits:

Beginning of year 8,060,530

End of year \$ 7,268,581

See Notes to Financial Statements.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 1 - Description of Plan:

The following description of the Widex USA, Inc. 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General:

The Plan is a defined contribution plan established to provide retirement benefits to eligible employees, as defined, of Widex USA, Inc. (the "Company" or the "Plan Sponsor") who have one year or 1,000 hours of service and are age 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Effective October 29, 2010, the Plan name was changed from Widex Hearing Aid Co., Inc. 401(k) Plan to Widex USA, Inc. 401(k) Plan.

Effective October 1, 2011, there is no service and age requirement for eligibility to make elective pretax contributions.

Contributions:

For 2010, participants can elect to contribute up to \$16,500 of their pre-tax annual compensation, as defined in the Plan, subject to certain limitations of the Internal Revenue Code (the "Code"). Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions up to \$5,500. Participants may also contribute amounts representing distributions from other qualified plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds as investments options for participants. The Company, at its discretion, may make matching contributions equal to 60% of the participant's deferral, limited to up to 5% of the participant's gross salary or wages. For 2010, the matching contributions are limited to 3% of the participant's gross salary or wages. The Company, at its discretion, may also contribute a profit-sharing contribution.

Participant accounts:

Each participant's account is credited with the participant's contribution, the Company's matching contributions, and allocations of the profit-sharing contributions, if any, and Plan earnings and losses, and charged with withdrawals. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Participants may direct their contributions into various investment options offered by the Plan. Company contributions are automatically invested in the funds as the employee directs. The Plan currently offers 13 mutual funds and 2 money markets fund as investment options for participants.

Vesting:

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of service. Participants vest in the Company's profit-sharing contributions at 25% per annum after completing 2 years of credited service until 100% vested after 5 years. Notwithstanding the foregoing, a participant becomes fully vested in the Company's contributions upon the earlier of: (i) retirement at age 65; (ii) total and permanent disability; (iii) age 65 while employed; and (iv) termination of employment by way of death.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 1 - Description of Plan (concluded):

Notes receivable from participants:

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of \$50,000 or 50% of the vested value of their account, whichever is less. The loans are secured by the balance in the participant's account and bear interest at rates commensurate with local prevailing rates as determined by the plan administrator and range from 4.25% to 9.25%. Principal and interest are paid ratably through payroll deductions over a one to five-year period, unless the loan is used to purchase a primary residence. Participants may not have more than one loan outstanding at any one time.

Withdrawals:

On termination of service due to death, disability, retirement or termination of employment in accordance with the Plan's provisions, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or installments payments, not to exceed the participants' life expectancy or the joint life expectancy of the participant and its beneficiary. In addition, participants are allowed to receive hardship distributions.

Forfeited accounts:

At December 31, 2010 and 2009, forfeited nonvested accounts totaled \$8,039 and \$4,982, respectively. These accounts will be used to reduce future employer contributions. During the year ended December 31, 2010, there were no amounts used to reduce employer contributions from forfeited nonvested accounts.

Note 2 - Summary of significant accounting policies:

Basis of accounting:

The financial statements of the Plan have been prepared on the accrual basis of accounting.

Use of estimates:

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

Investment valuation and income recognition:

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation, which is all attributable to mutual funds, includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes receivable from participants:

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

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of significant accounting policies (concluded):

Payment of benefits:

Benefits are recorded when paid.

Administrative expenses:

Certain administrative expenses of maintaining the Plan are paid by the Company while other expenses are charged to participant's accounts. Management fees and operating expenses charged to the Plan for investments in the mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected in net appreciation in fair market value of such investments.

Reclassification:

Certain prior year amounts have been reclassified to conform with the current year presentation.

Subsequent events:

The Plan has evaluated subsequent events through February 29, 2012, which is the date the financial statements were available to be issued.

Note 3 - Fair value measurements:

The Plan values its financial assets and liabilities based on 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. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Plan utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 3 - Fair value measurements (concluded):

Financial assets carried at fair value at December 31, 2010 and 2009 are classified in the tables below in one of the three categories described above:

<u>2010</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market fund		\$1,079,776		\$1,079,776
Mutual funds:				
Allocation funds	\$1,034,153			1,034,153
Blend funds	1,649,148			1,649,148
Equity fund	574,129			574,129
Government fund	930,837			930,837
Growth funds	1,569,044			1,569,044
Total assets at fair value	<u>\$5,757,311</u>	<u>\$1,079,776</u>	<u>\$ -</u>	<u>\$6,837,087</u>
<u>2009</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market fund		\$ 898,198		\$ 898,198
Mutual funds:				
Allocation funds	\$1,055,866			1,055,866
Blend funds	2,085,039			2,085,039
Equity fund	529,870			529,870
Government fund	838,656			838,656
Growth funds	2,124,401			2,124,401
Total assets at fair value	<u>\$6,633,832</u>	<u>\$ 898,198</u>	<u>\$ -</u>	<u>\$7,532,030</u>

Investments in mutual funds are valued using market prices on active markets (Level 1). Shares of mutual funds are valued at the net asset value of shares held by the Plan at year-end. Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

Investments in money market funds are classified as Level 2 and valued at amortized cost, which approximates the current fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at December 31, 2010 and 2009.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 4 - Investments:

The following presents investments that represent 5% or more of the Plan's net assets available for benefits as of December 31, 2010 and 2009:

	December 31, 2010	December 31, 2009
Nationwide Money Market Inst	\$ 1,063,000	\$ 884,663
Dreyfus S&P 500 Index Fund	777,701	930,769
Fidelity Advisors Balance Fund	568,959	529,701
Fidelity Advisors Contrafund Portfolio VIP	421,416	653,715
Janus Twenty Fund	1,349,097	1,912,898
Janus Worldwide Fund	574,129	529,870
AM Century Short Term Government Income Fund	930,837	838,656

Note 5 - Related party and parties-in-interest transactions:

During the year ended 2010, certain plan investments were in mutual funds and money market funds managed and held by Nationwide Financial Services, Inc. These transactions qualify as party-in-interest transactions.

Certain administrative functions are performed by the officers and employees of the Company (who may also be participants in the Plan) at no cost to the Plan.

Note 6 - 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 of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

Note 7 - Transfer of assets to Hal-Hen Co., Inc. 401(k) Plan:

On November 3, 2010, the Plan's Sponsor sold the assets of Widex USA, Inc. to Widex A/S, a Denmark-based hearing aid manufacturer and distributor. In conjunction with this transaction, certain plan participants transferred their account balances to a plan administered by the Hal-Hen Company, Inc. On December 16, 2010, a total of \$597,965 was transferred from the Plan.

Note 8 - Tax status:

The prototype plan sponsor has obtained an opinion letter dated March 31, 2008, in which the Internal Revenue Service (the "IRS") stated that the prototype plan document was in compliance with applicable requirements of the Code. Although the Plan has been amended since receiving the opinion letter, the plan administrator and the Plan's tax counsel believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code and, therefore, believe the Plan is qualified and the related trust is tax-exempt.

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 8 - Tax status (concluded):

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not 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 that would require recognition of a liability (or asset) or disclosure in the financial statements. 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.

Note 9 - Risks and uncertainties:

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.

Note 10 - Certification by the trustee:

The following account balances and transactions were obtained from statements certified by Nationwide Financial Services, Inc.:

Statements of net assets available for benefits:
Investments

Statement of changes in net assets available for benefits:
Investment income

Schedule of assets (held at end of year) (Schedule H – line 4i)

Note 11 - Reconciliation of Financial Statements to Form 5500:

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

Net assets available for benefits per the financial statements	\$7,268,581
Amounts allocated to withdrawing participants	<u>(95,256)</u>
Net assets available for benefits per the Form 5500	<u>\$7,173,325</u>

The following is a reconciliation of benefit paid to participants per the financial statements for the year ended December 31, 2010 to Form 5500:

Benefits paid to participants per the financial statements	\$1,660,264
Amounts allocated to withdrawing participants as December 31, 2010	<u>95,256</u>
Benefits paid to participants per Form 5500	<u>\$1,755,520</u>

WIDEX USA, INC. 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 11 - Reconciliation of Financial Statements to Form 5500 (concluded):

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefits claims that have been processed and approved for payments prior to December 31, 2010, but not yet paid as of that date.

Note 12 - Nonexempt transactions:

As reported on the supplemental schedule of delinquent participant contributions (Schedule H, line 4a), certain Plan contributions were not remitted to the trust within the time frame specified by the DOL's Regulation 29 (CFR 2510.3-102), thus constituting nonexempt transactions between the Plan and the Company totaling \$2,587,121 for the years ended December 31, 2010, 2009 and 2008.

WIDEX USA, INC. 401(k) PLAN

EIN No.: 99-0361726

Plan No.: 001

SCHEDULE OF ASSETS (HELD AT END OF YEAR) (Schedule H, Line 4i)

DECEMBER 31, 2010

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor or Similar Party	Description of Investments Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Number of Shares/ Units	Current Value
*	Nationwide Money Market Prime	CASH EQUIVALENT	966,053.63	\$ 16,776
*	Nationwide Money Market Inst	CASH EQUIVALENT	12,788.39	1,063,000
				<u>1,079,776</u>
*	Dreyfus Appreciation Fund Inc	MUTUAL FUND	218,029.97	324,035
*	Dreyfus S&P 500 Index Fund	MUTUAL FUND	424,861.20	777,701
*	Fidelity Advisors Balanced Fund	MUTUAL FUND	333,212.81	568,959
*	Fidelity Advisors Contrafund Portfolio VIP	MUTUAL FUND	152,918.37	421,416
*	Janus Twenty Fund	MUTUAL FUND	497,484.38	1,349,097
*	Janus Worldwide Fund	MUTUAL FUND	355,122.19	574,129
*	Nationwide Inv Dest Agg SC	MUTUAL FUND	13,997.63	125,996
*	Nationwide Inv Dest Cnsvr SC	MUTUAL FUND	9,765.07	255,008
*	Nationwide Inv Dest Mod Aggr SC	MUTUAL FUND	188,231.69	19,979
*	Nationwide Inv Dest Mod Cnsvr SC	MUTUAL FUND	41,181.08	57,825
*	Nationwide Inv Dest Mod SC	MUTUAL FUND	93,765.07	132,382
*	AM Century Ultra IC	MUTUAL FUND	138,161.54	219,947
*	AM Century Short Term Government Income Fund	MUTUAL FUND	614,958.19	930,837
				<u>5,757,311</u>
*	Participant loans	Interest rate 4.25% - 9.25%, secured by the participants' account balance	-	<u>36,960</u>
				<u>\$ 6,874,047</u>
*	Party -in- Interest			
(A)	Cost not required			

WIDEX USA, INC. 401(k) PLAN

EIN No.: 99-0361726

Plan No.: 001

SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS (Schedule H, Line 4a)

DECEMBER 31, 2010

Total That Constitute
Nonexempt Prohibited Transactions

Participant Contributions Transferred Late to the Plan	Check Here if Late Participant Loan Repayments are Included	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under Voluntary Fiduciary Correction Program ("VFCP") and Prohibited Transaction Exemption 2002-51
<u>\$ 2,587,121</u>	✓	<u>\$ 2,587,121</u>	<u>\$ -</u>	<u>\$ 2,587,121</u>	<u>\$ -</u>