Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [X] 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
VANGUARD DIRECT 401(K) RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/1992

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

519 8TH AVE 23RD FLOOR
NEW YORK, NY 10018-4570

2b Employer Identification Number (EIN) 11-2517083

2c Sponsor's telephone number 646-733-5320

2d Business code (see instructions) 424100

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.	04/13/2012	TIMOTHY MURPHY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	04/13/2012	ROBERT O'CONNELL
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
VANGUARD DIRECT

519 8TH AVE 23RD FLOOR
NEW YORK, NY 10018-4570

3b Administrator's EIN
11-2517083

3c Administrator's telephone number
646-733-5320

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

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	158
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**	139
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	22
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	161
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	7
f	Total. Add lines **6d** and **6e**	**6f**	168
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	128
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	2
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

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

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

A Name of plan	**B** Three-digit plan number (PN) ▶	
VANGUARD DIRECT 401(K) RETIREMENT PLAN		002

C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number (EIN)
VANGUARD DIRECT	11-2517083

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

T. ROWE PRICE RPS, INC.

52-1309931

(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 21 25 28 37 38 49 50 52 57 59 62 63 64 65	NONE	2550	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

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

AMERICAN CENTURY

44-0619208

(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?
28 59	NONE	0	Yes [X] No [ ]	Yes [ ] No [X]	0	Yes [X] No [ ]

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

ARTISAN PARTNERS

39-1807188

(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?
28 59	NONE	0	Yes [X] No [ ]	Yes [ ] No [X]	0	Yes [X] No [ ]

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

COLUMBIA MANAGEMENT

41-1533211

(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?
28 59	NONE	0	Yes [X] No [ ]	Yes [ ] No [X]	0	Yes [X] No [ ]

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

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

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

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

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
T. ROWE PRICE RPS, INC.	15 21 25 28 37 38 49 50 52 57 59 62 63 64 65	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AMERICAN CENTURY HERITAGE 4500 MAIN ST KANSAS CITY, MO 64111	FEE FOR SHAREHOLDER SERVICING BASED ON .60%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
T. ROWE PRICE RPS, INC.	15 21 25 28 37 38 49 50 52 57 59 62 63 64 65	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
ARTISAN MID CAP VL 875 E WISCONSIN AVE SUITE 800 MILWAUKEE, WI 53202	FEE FOR SHAREHOLDER SERVICING BASED ON .35%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
T. ROWE PRICE RPS, INC.	15 21 25 28 37 38 49 50 52 57 59 62 63 64 65	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
COLUMBIA SM CAP GR 225 FRANKLIN ST BOSTON, MA 02110	FEE FOR SHAREHOLDER SERVICING BASED ON .25%

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
AMERICAN CENTURY	28 59	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
AMERICAN CENTURY HERITAGE 4500 MAIN ST KANSAS CITY, MO 64111	INVESTMENT MANAGEMENT FEES BASED ON 1.26%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
ARTISAN PARTNERS	28 59	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
ARTISAN MID CAP VL 875 E WISCONSIN AVE SUITE 800 MILWAUKEE, WI 53202	INVESTMENT MANAGEMENT FEES BASED ON 1.21%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
COLUMBIA MANAGEMENT	28 59	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
COLUMBIA SM CAP GR 225 FRANKLIN ST BOSTON, MA 02110	INVESTMENT MANAGEMENT FEES BASED ON 1.10%

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

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

A Name of plan
VANGUARD DIRECT 401(K) RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
VANGUARD DIRECT

D Employer Identification Number (EIN)
11-2517083

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)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1114239	1054272
(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)	81449	117890
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	3549574	4801762
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	4745262	5973924
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	4745262	5973924

Part II Income and Expense Statement

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

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	33985	
(B) Participants	2a(1)(B)	548101	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		582086
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	96	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	4621	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		4717
(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)	65840	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		65840
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		607213
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		1259856
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	30009	
(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)		30009
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		-1365
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	2550	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		2550
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		31194
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		1228662
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: ROTENBERG MERIL SOLOMON BERTIGER (2) EIN: 22-3203841

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

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

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

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

A Name of plan
VANGUARD DIRECT 401(K) RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
VANGUARD DIRECT

D Employer Identification Number (EIN)
11-2517083

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 04-3583801

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

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

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

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

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

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

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

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

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

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

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

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Vanguard Direct 401(k) Retirement Plan

Financial Statements
and Supplementary Information

With

Independent Auditors' Report

December 31, 2010 and 2009

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* Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA) have been omitted because they are not applicable.

RotenbergMeril
Rotenberg Meril Solomon Bertiger & Guttilla, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Park 80 West, Plaza One
250 Pehle Avenue, Suite 101
Saddle Brook, NJ 07663

T: (201) 487-8383
F: (201) 490-2080

www.rmsbg.com

INDEPENDENT AUDITORS' REPORT

To the Administrative Committee and Participants of
Vanguard Direct 401(k) Retirement Plan

We were engaged to audit the accompanying statements of net assets available for benefits of Vanguard Direct 401(k) Retirement Plan (the "Plan") as of December 31, 2010 and 2009, and the related statement of changes in net assets available for benefits for the year ended December 31, 2010, and the supplemental schedule of assets held for investment purposes as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management.

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

Because of the significant amount of information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Rotenberg Meril Solomon Bertiger + Guttilla, P.C.

Rotenberg Meril Solomon Bertiger & Guttilla, P.C.
Saddle Brook, New Jersey
September 30, 2011

VANGUARD DIRECT 401(K) RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2010 AND 2009

	2010	2009
ASSETS:		
INVESTMENTS:		
Mutual funds	**$ 5,856,035**	$ 4,663,814
Total Investments	**5,856,035**	4,663,814
RECEIVABLES:		
Notes receivable from participants	**117,890**	81,449
Participant contributions	**-**	15,720
Employer contributions	**-**	797
Total Receivables	**117,890**	97,966
TOTAL ASSETS	**5,973,925**	4,761,780
NET ASSETS AVAILABLE FOR BENEFITS	**$ 5,973,925**	$ 4,761,780

See Accompanying Notes to Financial Statements

VANGUARD DIRECT 401(K) RETIREMENT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2010

INVESTMENT INCOME:		
Net appreciation in fair value of investments	**$**	**608,578**
Dividend income		**65,936**
Notes receivable interest		**4,621**
Total Investment Income		**679,135**
CONTRIBUTIONS:		
Participant		**532,381**
Employer		**33,188**
Total Contributions		**565,569**
DEDUCTIONS:		
Benefits paid to participants		**30,009**
Administrative expenses		**2,550**
Total Deductions		**32,559**
NET INCREASE IN NET ASSETS		**1,212,145**
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of Year		**4,761,780**
End of Year	**$**	**5,973,925**

See Accompanying Notes to Financial Statements

VANGUARD DIRECT 401(K) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 - DESCRIPTION OF PLAN:

In October 2009, the Plan changed its name from Vanguard Group of Printing Co., Inc. 401(k) Retirement Plan to Vanguard Direct 401(k) Retirement Plan (the "Plan"). The following description of 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 covering all eligible employees of Vanguard Direct, Inc. (the "Employer") who have completed 1,000 hours of service or twelve (12) consecutive months of employment and have attained the age of 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions

Each year, participants may contribute up to fifteen percent (15%) of pre-tax annual compensation, not to exceed the Internal Revenue Service ("IRS") allowable amount as defined in the Plan agreement. All employees were limited to a maximum contribution of $16,500 in 2010 by Code Section 401(g).

Participants age 50 or older are eligible to make an additional annual "catch-up" contribution of up to $5,500 pre-tax if they meet legal and/or plan limits for the year. If any participant's compensation deferrals for a year exceed the maximum allowable for that year, the excess amount may be returned to the participant as taxable compensation. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

The Employer makes a matching contribution equal to ten percent (10%) of the amount that a participant contributes to the Plan. However, any contribution made by the participant in excess of five percent (5%) of their compensation will not be considered for a matching contribution. In addition, the employer may contribute an annual discretionary profit sharing contribution to the Plan, as declared by the Board of Directors. Participants direct the investment of their contributions into various investment options offered by the Plan.

In August 2011, the Employer discovered that its match of employee contributions in 2010 was in excess of what was required by $943. In September 2011, the Employer informed T.Rowe Price and such amount was refunded.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Employer's matching and discretionary contributions, (b) rollover contributions, if any and (c) Plan earnings and appreciation in the value of the assets, and charged with (a) distributions made to participant and (b) Plan losses and depreciation in the value of the assets. 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.

NOTE 1 - DESCRIPTION OF PLAN (CONTINUED):

Vesting

Participants are immediately vested in their contributions and all earnings thereon. Vesting in the Employer's contribution portion of their accounts is based on the number of years of continuous service. The vesting schedule of the Employer's contributions and all earnings thereon is as follows:

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

Notes Receivable from Participants

Participants may borrow from their accounts on a uniform and non-discriminatory basis. Participants are limited to two (2) notes outstanding at any time. Participants may borrow from their fund accounts and shall be limited to the lesser of: (a) $50,000 reduced by the excess, if any, the outstanding note balance from the plan to the participant; or (b) one-half of the participant's vested interest in the Plan. Notes must be fully repaid through payroll deductions within five (5) years unless the note is used for the purchase of a primary residence, which repayment is extended to thirty (30) years. These notes bear interest at a rate that is determined by the Employer to be reasonable for a similar note that is issued by another lender at that same point in time. The notes are adequately secured and bear interest rates ranging from 4.25% to 6.0%.

Payment of Benefits after Termination of Employment

Participants may elect to have their benefits paid as a single lump sum or as a direct rollover to another qualified plan. If a participant's vested benefit in the Plan does not exceed $1,000, the entire fund balance will be distributed in a single lump-sum payment as soon as it is administratively feasible after receiving the participant's request. If a participant's vested benefit in the Plan exceeds $1,000, the participant may elect to have their benefit paid as a single lump sum or installments over a period of time not to exceed the assumed life expectancies of the participant and their beneficiary. In the event of a death prior to retirement, 100% of the participant's account will be paid to their beneficiary. In the event of total disability, the participant will become fully vested in their account. A participant may request early payment of their benefit upon separation of service, before retirement, death or disability, or once reaching age 59 ½.

Forfeited Accounts

Forfeited accounts may be used to reduce future Employer matching contributions, pursuant to the Plan document. The balance in the forfeiture account totaled $11,185 and $10,585 at December 31, 2010 and 2009, respectively. No forfeiture amounts were used to reduce Employer matching contributions at December 31, 2010 and 2009.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES:

Basis of Accounting
The financial statements of the Plan have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles of the United States 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 and assumptions.

Risks and Uncertainties
The Plan has made available through T. Rowe Price, a subsidiary of Boston Financial Data Services Inc., (the "Custodian") various investment options. These investment options are exposed to various risks, such as interest rate, market and credit. Management believes that the Custodian maintains the Plan's investments with high credit quality institutions and attempts to limit the credit exposure to any particular investment. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' balances and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits. The Plan permits every participant to direct the investment of their account balances under the Plan.

New Accounting Standards
In January 2010, FASB issued ASU No. 2010-06, "*Improving Disclosures about Fair Value Measurements*" ("ASU 2010-06"). This update provides amendments to Subtopic 820-10 that requires new disclosure as follows: 1) Transfers in and out of Levels 1 and 2. A reporting entity should disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers. 2) Activity in Level 3 fair value measurements. In the reconciliation for fair value measurements using significant unobservable inputs (Level 3), a reporting entity should present separately information about purchases, sales, issuances, and settlements (that is, on a gross basis rather than as one net number). This update provides amendments to Subtopic 820-10 that clarify existing disclosures as follows: 1) Level of disaggregation. A reporting entity should provide fair value measurement disclosures for each class of assets and liabilities. A class is often a subset of assets or liabilities within a line item in the statement of financial position. A reporting entity needs to use judgment in determining the appropriate classes of assets and liabilities. 2) Disclosures about inputs and valuation techniques. A reporting entity should provide disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements. Those disclosures are required for fair value measurements that fall in either Level 2 or Level 3.The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES (CONTINUED):

New Accounting Standards (Continued)
On January 1, 2010, the Company adopted the provisions of ASU 2010-06 for its Level 1 and Level 2 disclosures and will adopt the provisions of ASU 2010-06 for its Level 3 disclosures effective January 1, 2011. The adoption of the provisions of ASU 2010-06 did not have a material impact on the Company's financial statements.

Investment Valuation and Income Recognition
The Plan's investments are stated at fair value. The mutual funds are valued using the Net Asset Value ("NAV") The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is quoted in an active market. Purchases and sales of securities are recorded on a trade-date basis. Gains and losses are calculated on a moving average basis.

Dividend income is recorded on the ex-dividend date. The Plan presents in its statement of changes in net assets allowable for benefits, the net appreciation (or depreciation) in the fair value of investments which consist of the net realized gains and losses on disposal of investments and the net unrealized appreciation or depreciation of investments held by the Plan as of the end of the reporting period. Participant notes receivable are valued at their outstanding balances, which approximate fair value.

Earnings on investments are allocated on a pro rata basis to individual participant accounts based on the type of investment and the ratio of each participant's individual account balance to the aggregate of participant account balances.

Payment of Benefits
Benefit payments to participants are recorded upon distribution.

Administrative Expenses
Costs incurred in administering the Plan are paid by the Employer. However, participant note processing fees are paid by the participants and are reflected in these financial statements as administrative expenses.

Reclassifications
Certain reclassifications have been made to prior year financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported net assets available for benefits or change in net assets available for benefits.

NOTE 3 - INVESTMENTS:

Investments representing greater than five percent (5%) of net assets available for benefits at December 31, 2010 and 2009 are as follows:

	2010	2009
T. Rowe Price - U.S. Treasury Money Market	**$ 1,054,273**	$ 1,114,239
T. Rowe Price - Growth Stock	**803,790**	684,377
T. Rowe Price - Capital Appreciation	**692,540**	518,357
T. Rowe Price - Small-Cap Value	**605,592**	404,385
T. Rowe Price - Equity Index 500	**526,393**	491,760
T. Rowe Price - New Era	**457,917**	345,661
T. Rowe Price - Blue Chip Growth	**423,972**	327,556

During 2010, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $608,578. Notes receivable interest and dividend income for 2010 amounted to $4,621 and $65,936, respectively.

NOTE 4 - FAIR VALUE MEASUREMENTS:

Effective January 1, 2008, the Plan adopted ASC 820, "*Fair Value Measurements and Disclosures*," which defines fair value under U.S. generally accepted accounting principles, establishes a framework for measuring fair value and enhances disclosures about fair value measurements. This standard defines fair value as the exchange price that would be received for an asset, or paid to transfer a liability (an exit price), in the principal or most advantageous market for the asset or liability, in an orderly transaction value hierarchy, which requires an entity to maximize the use of observable inputs when measuring fair value.

The following provides a description of the three levels of inputs that may be used to measure fair value under the standard, the types of plan investments that fall under each category, and the valuation methodologies used to measure these investments at fair value.

Basis of Fair Value Measurements

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

Mutual Funds:
These investments are public investment securities valued using the NAV provided by T. Rowe Price. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is quoted in an active market.

Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED):

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

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Plan management 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.

The table below segregates all financial assets and liabilities as of December 31, 2010 and 2009 that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date:

Assets at Fair Value as of December 31, 2010

Description	12/31/2010	Level 1	Level 2	Level 3
Mutual Funds				
Domestic Large Cap Funds	$ 1,833,354	$ 1,833,354	$ -	$ -
Money Market Funds	1,054,273	1,054,273	-	-
International Funds	898,168	898,168	-	-
Index Funds	775,941	775,941	-	-
Balanced Funds	696,028	696,028	-	-
Asset Allocation Funds	598,271	598,271	-	-
Total Mutual Funds	5,856,035	5,856,035	-	-
Total	$ 5,856,035	$ 5,856,035	$ -	$ -

Assets at Fair Value as of December 31, 2009

Description	12/31/2009	Level 1	Level 2	Level 3
Mutual Funds				
Domestic Large Cap Funds	$ 1,416,318	$ 1,416,318	$ -	$ -
Money Market Funds	1,114,239	1,114,239	-	-
Index Funds	707,728	707,728	-	-
International Funds	676,130	676,130	-	-
Balanced Funds	465,358	465,358	-	-
Asset Allocation Funds	284,041	284,041	-	-
Total Mutual Funds	4,663,814	4,663,814	-	-
Total	$ 4,663,814	$ 4,663,814	$ -	$ -

NOTE 5 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500:

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

The Form 5500 has been prepared on the cash basis of accounting, which is another comprehensive basis of accounting. The following is a reconciliation of Net Assets Available for Benefits per financial statements at December 31, 2010 and 2009 to Schedule H of Form 5500:

	2010	2009
Net assets available for benefits per financial statements	**$ 5,973,925**	$ 4,761,780
Less: Participant contribution receivables	**-**	(15,720)
Less: Employer contribution receivables	**-**	(797)
Net assets available for benefits per Schedule H of Form 5500	**$ 5,973,925**	$ 4,745,263

The following is a reconciliation of the changes in net assets available for benefits per the financial statements for the year ended December 31, 2010, to Schedule H of Form 5500:

Net increase in net assets available for benefits per financial statements	**$ 1,212,145**
Add: Prior year employee contributions receivable	**15,720**
Add: Prior year employer contributions receivable	**797**
Net increase in net assets available for benefits per Schedule H of Form 5500	**$ 1,228,662**

NOTE 6 - PLAN TERMINATION:

Although the Employer has not expressed any intent to do so, the Employer has the right, under the Plan Agreement, to amend any or all provisions of the Plan, as well as discontinue contributions and terminate the Plan at any time subject to the provisions of ERISA. In the event of Plan termination, participants are 100% vested in their accounts, and the net assets of the Plan must be allocated among the participants and beneficiaries of the Plan in the order provided for by ERISA.

NOTE 7 - TAX STATUS:

The Plan has adopted the Boston Financial Data Service's Prototype Standardized Profit Sharing Plan dated January 1, 1992, which is qualified under Section 401 of the Internal Revenue Code ("IRC") as a tax exempt plan. The Prototype Plan has received a favorable letter of determination from the IRS dated March 31, 2008. Although the Plan has been amended, the Plan management believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

NOTE 8 – INFORMATION PREPARED AND CERTIFIED BY TRUSTEE (UNAUDITED):

All investment information disclosed in the accompanying financial statements and supplemental schedule in total and by fund, including investments held at December 31, 2010 and 2009, and net depreciation in fair value of investments for the year ended December 31, 2010, were obtained or derived from information supplied to the plan administrator and certified as complete and accurate by the custodian.

Total investment income for the year ended December 31, 2010 is as follows:

Net appreciation in fair value of investments	**$**	**608,578**
Dividend income		**65,936**
Notes receivable interest		**4,621**
Total Investment Income	**$**	**679,135**

Net appreciation in fair value of mutual fund investments was $608,578 for the year ended December 31, 2010.

Assets held at December 31, 2010 and 2009, at fair value, are as follows:

	2010	2009
Mutual funds	**$ 5,856,035**	$ 4,663,814
Total Investments	**$ 5,856,035**	$ 4,663,814

NOTE 9 - PARTY-IN-INTEREST TRANSACTIONS:

Certain Plan investments are shares of mutual funds that are managed by T. Rowe Price, a subsidiary of Boston Financial Data Services, Inc., who is also the third party administrator of the Plan. In addition, T. Rowe Price acts as a third-party administrator for the Plan. As such, they are considered parties-in-interest and the transactions have been determined to be non-prohibitive party-in-interest transactions as defined by ERISA.

Certain employees of the Employer, who may also be participants in the Plan, perform administrative services to the Plan at no cost to the Plan.

NOTE 10 - SUBSEQUENT EVENTS:

Changes in investment returns and fair values can have a significant effect on the Plan. Since December 31, 2010, U.S. and world markets continue to experience significant volatility. Management is monitoring investment market conditions and the impact such volatility is having on the Plan's investment portfolio. Due to the volatility of the financial markets as of the date of this report, there is uncertainty regarding the impact that such continued volatility might have on the Plan's investment portfolio.

The Plan evaluated subsequent events through September 30, 2011, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

VANGUARD DIRECT 401(K) RETIREMENT PLAN
EIN: 11-2517083, PLAN #: 002
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR
FORM 5500, SCHEDULE H, PART IV, LINE 4I
DECEMBER 31, 2010

	Identity of issue, borrower, lessor, or similar party	Description of Investment; rate of interest	Current value
*	T. Rowe Price - New Asia	Mutual Fund	**$ 205,628**
*	T. Rowe Price - Growth Stock	Mutual Fund	**803,790**
*	T. Rowe Price - New Era	Mutual Fund	**457,917**
*	T. Rowe Price - New Income	Mutual Fund	**64,693**
*	T. Rowe Price - Small Cap Value	Mutual Fund	**605,592**
*	T. Rowe Price - U.S Treasury Money Market	Mutual Fund	**1,054,273**
*	T. Rowe Price - Balanced	Mutual Fund	**88,528**
*	T. Rowe Price - Capital Appreciation	Mutual Fund	**692,540**
*	T. Rowe Price - Spectrum I	Mutual Fund	**161,760**
*	T. Rowe Price - Equity Index 500	Mutual Fund	**526,393**
*	T. Rowe Price - Blue Chip Growth	Mutual Fund	**423,972**
*	T. Rowe Price - Real Estate	Mutual Fund	**30,049**
*	T. Rowe Price - Int Eq Index	Mutual Fund	**249,548**
*	T. Rowe Price - Retire 2010	Mutual Fund	**67,363**
*	T. Rowe Price - Retire 2020	Mutual Fund	**9,771**
*	T. Rowe Price - American C	Mutual Fund	**52,195**
*	T. Rowe Price - Retire 2015	Mutual Fund	**29,092**
*	T. Rowe Price - Retire 2025	Mutual Fund	**180,171**
*	T. Rowe Price - Artisan MI	Mutual Fund	**27,724**
*	T. Rowe Price - Retire 2050	Mutual Fund	**27,188**
*	T. Rowe Price - Retire 2050	Mutual Fund	**34,398**
*	T. Rowe Price - Columbia S	Mutual Fund	**63,450**
	Notes receivable from particpants	Interest at 4.25% - 6.0%	**117,890**
			$ 5,973,925

* Represents a non-prohibitive party-in interest as defined by ERISA

See Independent Auditor's Report

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

Plan Name VANGUARD DIRECT 401(K) RETIREMENT PLAN **EIN:** 11-2517083
Plan Sponsor's Name VANGUARD DIRECT **PN:** 002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	T. ROWE PRICE NEW ASIA	MUTUAL FUND		205,628
	T. ROWE PRICE GROWTH STOCK	MUTUAL FUND		803,790
	T. ROWE PRICE NEW ERA	MUTUAL FUND		457,917
	T. ROWE PRICE NEW INCOME	MUTUAL FUND		64,693
	T. ROWE PRICE SMALL-CAP VALUE	MONEY MARKET		605,592
	T. ROWE PRICE U.S. TREASURY MONEY	INTEREST-BEARING CASH		1,054,272
	T. ROWE PRICE BALANCED	MUTUAL FUND		88,528

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

Plan Name VANGUARD DIRECT 401(K) RETIREMENT PLAN **EIN:** 11-2517083
Plan Sponsor's Name VANGUARD DIRECT **PN:** 002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	T. ROWE PRICE CAPITAL APPRECIATION	MUTUAL FUND		692,540
	T. ROWE PRICE SPECTRUM INCOME	MUTUAL FUND		161,760
	T. ROWE PRICE EQUITY INDEX 500	MUTUAL FUND		526,393
	T. ROWE PRICE BLUE CHIP GROWTH	MUTUAL FUND		423,972
	T. ROWE PRICE REAL ESTATE	MUTUAL FUND		30,049
	T. ROWE PRICE INTERNATIONAL EQUITY	MUTUAL FUND		249,548
	T. ROWE PRICE RETIREMENT 2010	MUTUAL FUND		67,363

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

Plan Name VANGUARD DIRECT 401(K) RETIREMENT PLAN **EIN:** 11-2517083
Plan Sponsor's Name VANGUARD DIRECT **PN:** 002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	T. ROWE PRICE RETIREMENT 2020	MUTUAL FUND		9,771
	AMERICAN CENTURY HERITAGE	MUTUAL FUND		52,195
	T. ROWE PRICE RETIREMENT 2015	MUTUAL FUND		29,092
	T. ROWE PRICE RETIREMENT 2025	MUTUAL FUND		180,171
	ARTISAN MID CAP VALUE FUND	MUTUAL FUND		27,724
	T. ROWE PRICE RETIREMENT 2050	MUTUAL FUND		27,188
	T. ROWE PRICE RETIREMENT 2055	MUTUAL FUND		34,398

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

Plan Name VANGUARD DIRECT 401(K) RETIREMENT PLAN **EIN:** 11-2517083
Plan Sponsor's Name VANGUARD DIRECT **PN:** 002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	COLUMBIA SMALL CAP GROWTH FUND I	MUTUAL FUND		63,450
	PARTICIPANT LOANS	LOW-HIGH INTEREST RATE 4.25% - 6.00% MATURITY DATE 01/07/2016		117,890