

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
		2009
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning <u>08/01/2009</u> and ending <u>07/31/2010</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 MODERN MEDICAL, INC. 401(K) PLAN AND TRUST	1b Three-digit plan number (PN) ► <u>001</u> 1c Effective date of plan <u>08/01/1992</u>
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) MODERN MEDICAL, INC. 7840 GRAPHICS WAY LEWIS CENTER, OH 43035	2b Employer Identification Number (EIN) <u>31-1191553</u> 2c Sponsor's telephone number <u>740-657-3330</u> 2d Business code (see instructions) <u>621900</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.	06/04/2012	JOSEPH FAVAZZO
	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 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") MODERN MEDICAL, INC. 7840 GRAPHICS WAY LEWIS CENTER, OH 43035	3b Administrator's EIN 31-1191553 3c Administrator's telephone number 740-657-3330
--	---

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	159
---	----------	-----

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	103
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	21
d Subtotal. Add lines 6a , 6b , and 6c	6d	124
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	124
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	119
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	12

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:
 3D 2J 2K 2F 2G 2E

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

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

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

a Pension Schedules

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

b General Schedules

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

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
		2009
		This Form is Open to Public Inspection.
For calendar plan year 2009 or fiscal plan year beginning 08/01/2009 and ending 07/31/2010		
A Name of plan MODERN MEDICAL, INC. 401(K) PLAN AND TRUST		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 MODERN MEDICAL, INC.		D Employer Identification Number (EIN) 31-1191553

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

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

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

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

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

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

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

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

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

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

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

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

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)

FIFTH THIRD BANK RETIREMENT SERVICE

38 FOUNTAIN SQUARE PLAZA
CINCINNATI, OH 45263

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64	RECORDKEEPER	12529	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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
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
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
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
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
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 2009 This Form is Open to Public Inspection
--	--	---

For calendar plan year 2009 or fiscal plan year beginning 08/01/2009 and ending 07/31/2010		
A Name of plan MODERN MEDICAL, INC. 401(K) PLAN AND TRUST	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 MODERN MEDICAL, INC.	D Employer Identification Number (EIN) 31-1191553	

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)	4608	0
(2) Participant contributions	1b(2)	15684	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities.....	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other.....	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	71422	73574
(9) Value of interest in common/collective trusts.....	1c(9)	438715	658405
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	3108785	3501528
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	3639214	4233507

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	3639214	4233507
---	-----------	---------	---------

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)	130966	
(B) Participants	2a(1)(B)	379547	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		510513

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	4838	
(E) Participant loans	2b(1)(E)	0	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		4838
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	56927	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		56927
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		24183
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		375114
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		971575

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	321297	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		321297
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		43456
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	12529	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		12529
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		377282

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		594293
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)** ☒ 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: MCGLADREY AND PULLEN

(2) EIN: 42-0714325

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

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

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 08/01/2009 and ending 07/31/2010

A Name of plan <u>MODERN MEDICAL, INC. 401(K) PLAN AND TRUST</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MODERN MEDICAL, INC.</u>	D Employer Identification Number (EIN) <u>31-1191553</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>20-3691658</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

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

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

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

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

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

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

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): _____

**Modern Medical, Inc.
401(k) Plan and Trust**

**Financial Report
July 31, 2010**

Contents

Independent Auditor's Report	1
Financial Statements	
Statements of Net Assets Available for Benefits	2
Statement of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4-10
Supplemental Schedule	
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)	11

Independent Auditor's Report

To the Plan Administrator
Modern Medical, Inc. 401(k) Plan and Trust
Lewis Center, Ohio

We were engaged to audit the accompanying statements of net assets available for benefits of the Modern Medical, Inc. 401(k) Plan and Trust (the "Plan") as of July 31, 2010 and 2009, and the related statement of changes in net assets available for benefits for the year ended July 31, 2010, and the supplemental schedule of assets (held at end of year) as of July 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 United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified or provided by Fifth Third Bank, the custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certifications from the custodian regarding the completeness and accuracy of the investment information summarized in Note 3 that was provided to the Plan Administrator by the custodian as of July 31, 2010 and 2009 and for the year ended July 31, 2010.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental 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 or provided by the custodian, 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 United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

McGladrey & Pullen, LLP

Columbus, Ohio
February 23, 2011

Modern Medical, Inc. 401(k) Plan and Trust

**Statements of Net Assets Available for Benefits
July 31, 2010 and 2009**

	2010	2009
Assets		
Investments, at fair value:		
Registered investment companies	\$ 3,501,528	\$ 3,108,785
Common/collective trust	658,405	438,715
Participant loans	73,574	71,422
Total investments	4,233,507	3,618,922
Receivables:		
Participant contributions	-	15,684
Employer contributions	-	4,608
Total receivables	-	20,292
Net assets available for benefits, at fair value	4,233,507	3,639,214
Adjustment from fair value to contract value for interest in common/collective trust fund relating to fully benefit responsive investment contracts	(543)	17,804
Net assets available for benefits	\$ 4,232,964	\$ 3,657,018

See Notes to Financial Statements.

Modern Medical, Inc. 401(k) Plan and Trust

**Statement of Changes in Net Assets Available for Benefits
Year Ended July 31, 2010**

Additions:

Investment income:

Net appreciation in fair value of investments	\$ 375,114
Interest and dividends	67,601
	<u>442,715</u>

Contributions:

Participant	379,547
Employer	130,966
	<u>510,513</u>
Total additions	<u>953,228</u>

Deductions:

Benefits paid to participants or beneficiaries	364,753
Administrative expenses	12,529
Total deductions	<u>377,282</u>

Net increase	575,946
---------------------	---------

Net assets available for benefits:

Beginning of year	<u>3,657,018</u>
End of year	<u>\$ 4,232,964</u>

See Notes to Financial Statements.

Modern Medical, Inc. 401(k) Plan and Trust

Notes to Financial Statements

Note 1. Description of Plan

The following description of the Modern Medical, Inc. 401(k) Plan and Trust (the "Plan") is provided for 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 sponsored by Modern Medical, Inc. (the Company) and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Each full-time employee of the Company is eligible to participate in the Plan on February 1, May 1, August 1, or November 1 following their date of hire, provided that the employee is at least 21 years of age.

Contributions: Plan participants may authorize payroll deductions up to 100% of their compensation as a pretax contribution. The amount of a participant's contributions for any Plan year may not exceed certain limits set by the Plan agreement and the Internal Revenue Code (IRC). Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. The Company makes matching contributions equal to 50% of the first 5% of each participant's contributions. Additional discretionary profit sharing contributions may be contributed by the Company; however no discretionary amounts were contributed in 2010. Participants direct the investments of contributions into various investment options offered by the Plan.

Participants' accounts: Each participant's account is credited with the participant's contribution and an allocation of (a) the Company's contribution, and (b) Plan earnings and losses and charged with an allocation of administrative expenses. Allocations are based on participant's earnings or account balances, in accordance with the method described in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting: Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contributions along with the earnings thereon is based on years of continuous service, where a year is defined as one where an employee works 1,000 or more hours, and is as follows:

<u>Years of service</u>	<u>Vesting Percentage</u>
1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Benefits: On termination of service, disability or retirement, a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in a lump-sum amount. Hardship withdrawals are granted for specific reasons, are limited to a participant's account balance attributable to elective deferrals and are subject to a mandatory 20% federal tax withholding. Upon making a hardship withdrawal, a participant will lose the right to make elective deferrals for the following 6 months.

Forfeited accounts: At July 31, 2010 and 2009 forfeited nonvested accounts totaled \$13,944 and \$8,834, respectively. These accounts will be allocated to the remaining participant accounts in proportion to their account balances. During the year ending December 31, 2010, \$9,457 of forfeiture dollars were allocated to participant accounts.

Modern Medical, Inc. 401(k) Plan and Trust

Notes to Financial Statements

Note 1. Description of Plan (Continued)

Participant loans: Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account value. Participants may only have one loan outstanding at any time. The loans are secured by the balance in the participants' accounts and bear interest at rates which are commensurate with local prevailing rates as determined by the Plan Administrator. Principal and interest is paid ratably through payroll deductions.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The financial statements of the Plan are 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 certain estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

Investments and income recognition: Investments are reported 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 5 for discussion of fair value measurements. Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through a common/collective trust. Contract value for this common/collective trust is based on the net asset value of the fund as reported by the investment advisor. The statement of net assets available for benefits as of July 31, 2010 presents the fair value of the investment in the common/collective trust as well as an adjustment to the investment in the common/collective trust from fair value to contract value relating to the investment contracts. The statement of changes in net assets available for benefits is prepared on a contract value basis.

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 (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Contributions: Participant contributions and Company matching contributions are recognized when the participant contributions are withheld from the participant's earnings. Company discretionary profit sharing contributions are recognized when declared.

Benefits: Benefits are recorded when paid.

Administrative expenses: The Company, at its discretion, pays significantly all Plan administrative expenses. A portion of the Plan's administrative costs are paid by the Plan.

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 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.

Recent accounting pronouncement: In September 2010, The Financial Accounting Standards Board (FASB) issued an amendment, which provides guidance on how loans to participants should be classified and measured by defined contribution pension plans. This amendment requires that participant loans be classified

Modern Medical, Inc. 401(k) Plan and Trust

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. This amendment was effective for periods ending after December 15, 2010, with early adoption permitted. This amendment requires retrospective application to all periods presented. This amendment has not yet been adopted. Adoption of this amendment is not expected to have a material impact on the net assets available for benefits.

Subsequent Events: The Company has evaluated subsequent events for potential recognition and/or disclosure through February 23, 2011, the date the financial statements were available to be issued.

Note 3. Investments and Information Certified by the Custodian of the Plan's Assets

The following is a summary of the investment information as of July 31, 2010 and 2009 and for the year ended July 31, 2010, included throughout the Plan's financial statements and supplemental schedule that was prepared by or derived from information provided by the custodian and furnished to the Plan Administrator. The Plan Administrator has obtained certifications from Fifth Third Bank ("Fifth Third"), that the information provided to the Plan Administrator by the custodian related to the following investments are complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan's independent auditor not to perform any auditing procedures with respect to information which appears throughout the financial statements and supplemental schedule related to the investments below.

The following table presents the fair value of the Plan's investments as certified by the custodian as of July 31. The common/collective trust was certified by Fifth Third at contract value. Investments representing more than 5% of the Plan's net assets are separately identified.

	2010	2009
Registered investment companies:		
American Funds Capital World Growth & Income Fund	\$ 304,068	\$ 414,039
American Funds Europacific Growth Fund	485,533	269,441
Davis New York Venture Fund	652,358	115,902 *
Royce Total Return Fund	568,392	220,123
American Funds Growth Fund of America	349,614	262,498
Fifth Third Equity Index	178,267 *	554,658
PIMCO Total Return Fund	382,025	457,725
Other registered investment companies	581,271	814,399
	3,501,528	3,108,785
Common/collective trust:		
Fifth Third Stable Value Fund	657,862	456,519
Participant loans	73,574 *	71,422 *
Total investments	\$ 4,232,964	\$ 3,636,726

* Less than 5% of the Plan's net assets in the reported year

Modern Medical, Inc. 401(k) Plan and Trust

Notes to Financial Statements

Note 3. Investments and Information Certified by the Custodians of the Plan's Assets (Continued)

Fifth Third also certified to the completeness and accuracy of net appreciation (depreciation) in the fair value of investments and interest and dividends for the year ended July 31, 2010, which included the following:

Net appreciation in fair value of investments:

Registered investment companies	<u><u>\$ 375,114</u></u>
---------------------------------	--------------------------

Interest and dividends	<u><u>\$ 67,601</u></u>
------------------------	-------------------------

Note 4. Fair Value Measurements

The Plan has adopted guidance from the FASB that establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at July 31, 2010 and 2009.

Shares of registered investment companies: Valued at the net asset value ("NAV") of shares held by the Plan at year-end.

Shares of common/collective trust: Valued at the total of the NAV of the underlying guaranteed investments held by the account at year-end. The Plan's interest in the common/collective trust is valued based on the information reported by the investment advisor.

Modern Medical, Inc. 401(k) Plan and Trust

Notes to Financial Statements

Note 4. Fair Value Measurements (Continued)

Participant loans: Valued at amortized cost, which approximates fair value.

The methods described above may produce a fair value 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.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value:

Assets at Fair Value as of July 31, 2010				
	Level 1	Level 2	Level 3	Total
Registered investment companies:				
Large-cap	\$ 1,397,893	\$ -	\$ -	\$ 1,397,893
Mid-cap	89,643	-	-	89,643
Small-cap	704,307	-	-	704,307
International	927,660			
Intermediate bonds	382,025	-	-	382,025
Common/collective trust	-	658,405	-	658,405
Participant loans	-	-	73,574	73,574
	<u>\$ 3,501,528</u>	<u>\$ 658,405</u>	<u>\$ 73,574</u>	<u>\$ 4,233,507</u>

Assets at Fair Value as of July 31, 2009				
	Level 1	Level 2	Level 3	Total
Registered investment companies	\$ 3,108,785	\$ -	\$ -	\$ 3,108,785
Common/collective trust	-	438,715	-	438,715
Participant loans	-	-	71,422	71,422
	<u>\$ 3,108,785</u>	<u>\$ 438,715</u>	<u>\$ 71,422</u>	<u>\$ 3,618,922</u>

Level 3 Gains and Losses

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended July 31, 2010.

Participant Loans			
	2010	2009	
Balance, beginning of year	\$ 71,422	\$ 106,573	
Issuances and settlements (net)	2,152	(35,151)	
Balance, end of year	<u>\$ 73,574</u>	<u>\$ 71,422</u>	

Modern Medical, Inc. 401(k) Plan and Trust

Notes to Financial Statements

Note 4. Fair Value Measurements (Continued)

In September 2009, FASB issued an amendment which provides guidance on how entities should estimate fair value of certain alternative investments. The fair value of investments within the scope of this guidance can now be determined using NAV per share as a practical expedient, when the fair value is not readily determinable, unless it is probable the investment will be sold at something other than NAV. It also requires disclosure of certain attributes by major category of alternative investments, regardless of whether the practical expedient was used. This amendment was effective for periods ending after December 15, 2009, with early adoption permitted.

The following table sets forth disclosures of Plan's investments whose fair value is estimated using net asset value per share (or its equivalent) as of July 31, 2010:

	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Date
Common/collective trust (a)	\$ 658,405	\$ -	Daily	Daily

(a) This category is a stable value fund whose objective is to provide principal preservation and a competitive interest rate. The trustee invests principally in guaranteed investment contracts primarily issued by insurance companies, banks and other financial institutions.

In January 2010, FASB issued an amendment which requires new disclosures and reasons for transfers of financial assets and liabilities between Levels 1 and 2. This amendment also clarifies that fair value measurement disclosures are required for each class of financial assets and liabilities, and disclosures about inputs and valuation techniques are required for both Level 2 and Level 3 measurements. It further clarifies that the reconciliation of Level 3 measurements should separately present purchases, sales, issuances, and settlements instead of netting these changes.

With respect to the matters other than Level 3 measurements, the amendment was effective and not yet adopted for periods beginning on or after December 15, 2009. The guidance related to Level 3 measurements is effective for periods beginning on or after December 15, 2010 and has not yet been adopted.

Note 5. 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 will become fully vested in their accounts.

Note 6. Tax Status

Effective August 1, 2008, the Plan adopted a non-standardized form of a prototype plan sponsored by Fifth Third Bank. The prototype plan has received an opinion letter from the Internal Revenue Service as to the prototype plan's qualified status. The prototype plan opinion letter has been relied upon by this Plan. The Plan Administrator believes the Plan is designed and is being operated in compliance with the applicable provisions of the IRC.

FASB issued new guidance for uncertain tax positions. The Plan adopted this guidance for the year ended July 31, 2010. Management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements.

Modern Medical, Inc. 401(k) Plan and Trust

Notes to Financial Statements

Note 7. Related Party Transactions

Certain plan investments are shares of a common/collective trust and registered investment companies managed by Fifth Third. Fifth Third is the custodian as defined by the Plan; and therefore, these transactions qualify as party-in-interest transactions.

Note 8. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of total net assets per the financial statements at July 31, 2010 and 2009 to total net assets per Form 5500:

	2010	2009
Total net assets per the financial statements	\$ 4,232,964	\$ 3,657,018
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	543	(17,804)
Total net assets per Form 5500	<u>\$ 4,233,507</u>	<u>\$ 3,639,214</u>

The following is a reconciliation of investment loss per the financial statements to Form 5500 for the year ended July 31, 2010:

Total investment income per the financial statements	\$ 442,715
Adjustment from contract value to fair value for fully benefit-responsive investment contracts, current year	18,347
Total investment income per the Form 5500	<u>\$ 461,062</u>

SUPPLEMENTAL SCHEDULE

Modern Medical, Inc. 401(k) Plan and Trust

Employer Identification Number: 31-1191553

Plan: 001

Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)

Year Ended July 31, 2010

(a)	(b)	(c)	(e)
	Identity of issuer, borrower lessor, or similar party	Description of Investment	Current Value
		Registered investment companies:	
	American Funds	American Funds Europacific Growth Fund	\$ 485,533
	American Funds	American Funds Capital World Growth & Income Fund	304,068
	American Funds	American Funds Growth Fund of America	349,614
	Davis	Davis New York Venture Fund	652,358
	Diamond Hill	Diamond Hill Large Cap Fund	61,645
	Federated	Federated Kaufmann Fund	34,563
	Fidelity Investments	Fidelity Advisor Small Cap Portfolio	27,426
*	Fifth Third	Fifth Third Equity Index	178,267
*	Fifth Third	Fifth Third Lifemodel Aggressive	20
*	Fifth Third	Fifth Third Lifemodel Conservative	20
*	Fifth Third	Fifth Third Lifemodel Moderate Aggressive	20
*	Fifth Third	Fifth Third Lifemodel Moderate Conservative	4,816
*	Fifth Third	Fifth Third Lifemodel Moderate	76,508
	First Eagle	First Eagle Fund of America	55,080
	ING	ING Value Choice Fund	6,762
	Lazard	Emerging Markets Fund	138,059
	Oppenheimer	Oppenheimer Main Street Small Cap Fund	108,489
	PIMCO	PIMCO Total Return Fund	382,025
	Royce	Royce Total Return Fund	568,392
	T Rowe Price	T Rowe Price Real Estate Advisor	67,863
			<u>3,501,528</u>
		Common/collective trust:	
*	Fifth Third	Fifth Third Stable Value Fund	658,405
*	Participant Loans	Due various dates, interest rates ranging from 4.25% to 9.25% with maturities through June 2015.	73,574
			<u>\$ 4,233,507</u>

* Represents a party in interest

Note: This schedule is based on information which has been certified as complete and accurate by Fifth Third Bank, the custodian of the plan. The common/collective trust was certified by the custodian at contract value. Column (d) has been omitted as it is not required under ERISA for participant-directed accounts.

ASSETS HELD FOR INVESTMENT PURPOSES

Modern Medical, Inc. 401(k) Plan and Trust
01-AUG-09 to 31-JUL-10

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
IRWICX			299,809.84	304,068.19
IRERCX			457,683.70	485,533.56
ILZOEX			130,120.86	138,058.66
IPAREX			67,482.27	67,863.25
IFSCSX			27,758.79	27,426.60
IOPMSX			94,894.46	108,489.37
IRYTRX			517,607.15	568,392.03
IKAUFX			38,902.05	34,562.54
IFEFAFX			56,670.06	55,079.84
IPAVAX			7,043.64	6,762.37
IRGACX			336,469.39	349,613.55
INYVRX			661,752.22	652,357.56
IDHLAX			65,321.20	61,645.13
IKNIDX			160,301.09	178,267.16
ILASAX			19.25	19.78
ILCVAX			19.31	19.51
ILMAAX			19.27	19.72
ILAMVX			4,860.09	4,816.21
ILMDAX			72,690.64	76,507.92
IPTTAX			351,934.67	382,024.96
153SVFB			643,917.74	643,917.74
			3,995,277.69	4,145,445.65
PARTICIPANT LOANS	VARIOUS	4.250-9.750	73,633.39	73,573.88
FORFEITURES			13,944.11	13,944.11



May 17, 2012

EBSA

Re: Modern Medical, Inc. 401(k) Plan & Trust
Plan Year: 2009 Form 5500

To Whom It May Concern:

Enclosed please find IRS Form 5500 for the plan noted above in connection with the plan year ended 07/31/2010. Please consider the following explanation as to the reason that this form is being submitted past the due date, which was extended to May 16, 2011.

All prior submissions were filed on a timely basis. Due to an administrative error and unfamiliarity with the new E-Filing process, the 2009 filing was not received by 5/16/2011. We attempted to submit the filing on 5/16/11 and thought everything went through, however we recently discovered that there was an error and the filing was not accepted.

We are aware of the mandatory due dates for the 5500 series submissions. Procedures are in place to prevent a recurrence of this event and we have a better handle on the E-Filing process. I would, therefore, request that you waive any potential penalties for late filing in this instance.

Your time and consideration in this matter are much appreciated. Please forward any correspondence regarding this issue to my attention.

Sincerely,

A handwritten signature in dark ink, appearing to read 'J. Favazzo', is written over a large, light-colored circular mark.

Joseph Favazzo
President/CEO

ONE LESS THING TO WORRY ABOUT

7840 Graphics Way, Lewis Center, Ohio 43035 • 740-657-3330 • 800-547-3330 • 877-247-3330 toll-free fax