# 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), 6057(b), 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

**2011**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

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

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

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

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

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 002

**1c** Effective date of plan 01/01/1996

**2a** Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

HIGH DESERT MEDICAL CORPORATION

43839 15TH STREET WEST
LANCASTER, CA 93534

43839 15TH STREET WEST
LANCASTER, CA 93534

**2b** Employer Identification Number (EIN)
95-3930862

**2c** Sponsor's telephone number
661-726-3906

**2d** Business code (see instructions)
621498

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

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

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/09/2012 | LINDRA FRANDINATA |
| | **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 |

**3a** Plan administrator's name and address (if same as plan sponsor, enter "Same")
HIGH DESERT MEDICAL CORPORATION

43839 15TH STREET WEST
LANCASTER, CA 93534

**3b** Administrator's EIN
95-3930862

**3c** Administrator's telephone number
661-726-3906

**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** | 2930 |
| **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** | 2919 |
| **b** | Retired or separated participants receiving benefits | **6b** | 9 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 198 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 3126 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 3 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 3129 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 1752 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 57 |
| **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 2T 3H

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

**9a** Plan funding arrangement (check all that apply)

| | | |
|---|---|---|
| **(1)** | X | 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)** | X | 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)** | X | 2 | **A** (Insurance Information) |
| **(4)** | X | | **C** (Service Provider Information) |
| **(5)** | X | | **D** (DFE/Participating Plan Information) |
| **(6)** | | | **G** (Financial Transaction Schedules) |

# SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Insurance Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

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

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

**2011**

**This Form is Open to Public Inspection**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

**A** Name of plan
HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
HIGH DESERT MEDICAL CORPORATION

**D** Employer Identification Number (EIN)
95-3930862

## Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions

Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

**1** Coverage Information:

**(a)** Name of insurance carrier

| **(b)** EIN | **(c)** NAIC code | **(d)** Contract or identification number | **(e)** Approximate number of persons covered at end of policy or contract year | Policy or contract year | |
|---|---|---|---|---|---|
| | | | | **(f)** From | **(g)** To |
| | | | | | |

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

| **(a)** Total amount of commissions paid | **(b)** Total amount of fees paid |
|---|---|
| | |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Part II Investment and Annuity Contract Information

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

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

**6** Contracts With Allocated Funds:

**a** State the basis of premium rates ▶

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

Specify nature of costs ▶

**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐

**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☐ other ▶

| | | | | | |
|---|---|---|---|---|---|
| **b** | Balance at the end of the previous year | | | **7b** | |
| **c** | Additions: (1) Contributions deposited during the year | **7c(1)** | | | |
| | (2) Dividends and credits | **7c(2)** | | | |
| | (3) Interest credited during the year | **7c(3)** | | | |
| | (4) Transferred from separate account | **7c(4)** | | | |
| | (5) Other (specify below) | **7c(5)** | | | |
| | ▶ | | | | |
| | (6) Total additions | | | **7c(6)** | 0 |
| **d** | Total of balance and additions (add **b** and **c(6)**). | | | **7d** | 0 |
| **e** | Deductions: | | | | |
| | (1) Disbursed from fund to pay benefits or purchase annuities during year | **7e(1)** | | | |
| | (2) Administration charge made by carrier | **7e(2)** | | | |
| | (3) Transferred to separate account | **7e(3)** | | | |
| | (4) Other (specify below) | **7e(4)** | | | |
| | ▶ | | | | |
| | (5) Total deductions | | | **7e(5)** | 0 |
| **f** | Balance at the end of the current year (subtract **e(5)** from **d**) | | | **7f** | 0 |

## Part III Welfare Benefit Contract Information

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

**8** Benefit and contract type (check all applicable boxes)

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

| | | | | |
|---|---|---|---|---|
| **9** Experience-rated contracts: | | | | |
| **a** Premiums: (1) Amount received | **9a(1)** | | | |
| (2) Increase (decrease) in amount due but unpaid | **9a(2)** | | | |
| (3) Increase (decrease) in unearned premium reserve | **9a(3)** | | | |
| (4) Earned (**(1)** + **(2)** - **(3)**) | | | **9a(4)** | 0 |
| **b** Benefit charges (1) Claims paid | **9b(1)** | | | |
| (2) Increase (decrease) in claim reserves | **9b(2)** | | | |
| (3) Incurred claims (add **(1)** and **(2)**) | | | **9b(3)** | 0 |
| (4) Claims charged | | | **9b(4)** | |
| **c** Remainder of premium: (1) Retention charges (on an accrual basis) -- | | | | |
| (A) Commissions | **9c(1)(A)** | | | |
| (B) Administrative service or other fees | **9c(1)(B)** | | | |
| (C) Other specific acquisition costs | **9c(1)(C)** | | | |
| (D) Other expenses | **9c(1)(D)** | | | |
| (E) Taxes | **9c(1)(E)** | | | |
| (F) Charges for risks or other contingencies | **9c(1)(F)** | | | |
| (G) Other retention charges | **9c(1)(G)** | | | |
| (H) Total retention | | | **9c(1)(H)** | 0 |
| (2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.) | | | **9c(2)** | |
| **d** Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement | | | **9d(1)** | |
| (2) Claim reserves | | | **9d(2)** | |
| (3) Other reserves | | | **9d(3)** | |
| **e** Dividends or retroactive rate refunds due. (Do not include amount entered in **c(2)**.) | | | **9e** | |
| **10** Nonexperience-rated contracts: | | | | |
| **a** Total premiums or subscription charges paid to carrier | | | **10a** | |
| **b** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount. | | | **10b** | |

Specify nature of costs ▶

## Part IV Provision of Information

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

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

# SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Insurance Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

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

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

**2011**

**This Form is Open to Public Inspection**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

**A** Name of plan
HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
HIGH DESERT MEDICAL CORPORATION

**D** Employer Identification Number (EIN)
95-3930862

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

**1** Coverage Information:

**(a)** Name of insurance carrier
JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.)

| (b) EIN | (c) NAIC code | (d) Contract or identification number | (e) Approximate number of persons covered at end of policy or contract year | Policy or contract year | |
|---|---|---|---|---|---|
| | | | | (f) From | (g) To |
| 01-0233346 | 65838 | 10135 | 0 | 01/01/2011 | 01/31/2011 |

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

| (a) Total amount of commissions paid | (b) Total amount of fees paid |
|---|---|
| 1524 | 792 |

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

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid
POLYCOMP ADMINISTRATIVE SERVICES
6400 CANOGA AVE
WOODLAND HILLS, CA 91367

| (b) Amount of sales and base commissions paid | Fees and other commissions paid | | (e) Organization code |
|---|---|---|---|
| | (c) Amount | (d) Purpose | |
| 1524 | 770 | ADMINISTRATIVE FEES | 5 |

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid
T.ROWE PRICE ASSOCIATES, INC.
44822 NORTH CEDAR
LANCASTER, CA 93534

| (b) Amount of sales and base commissions paid | Fees and other commissions paid | | (e) Organization code |
|---|---|---|---|
| | (c) Amount | (d) Purpose | |
| | 22 | REDEMPTION FEES | 6 |

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

VANGUARD GROUP, INC
44822 NORTH CEDAR
LANCASTER, CA 93534

| **(b)** Amount of sales and base commissions paid | Fees and other commissions paid | | **(e)** Organization code |
|---|---|---|---|
| | **(c)** Amount | **(d)** Purpose | |
| | | REDEMPTION FEES | 6 |

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

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

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

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

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

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

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

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

## Part II Investment and Annuity Contract Information

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

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

**6** Contracts With Allocated Funds:

**a** State the basis of premium rates ▶

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

Specify nature of costs ▶

**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐

**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ GROUP ANNUITY CONTRACT

| | | | | | |
|---|---|---|---|---|---|
| **b** | Balance at the end of the previous year | | | 7b | 1066167 |
| **c** | Additions: (1) Contributions deposited during the year | 7c(1) | 7938 | | |
| | (2) Dividends and credits | 7c(2) | | | |
| | (3) Interest credited during the year | 7c(3) | 599 | | |
| | (4) Transferred from separate account | 7c(4) | | | |
| | (5) Other (specify below) | 7c(5) | | | |
| | ▶ | | | | |
| | (6) Total additions | | | 7c(6) | 8537 |
| **d** | Total of balance and additions (add **b** and **c(6)**). | | | 7d | 1074704 |
| **e** | Deductions: | | | | |
| | (1) Disbursed from fund to pay benefits or purchase annuities during year | 7e(1) | 845117 | | |
| | (2) Administration charge made by carrier | 7e(2) | | | |
| | (3) Transferred to separate account | 7e(3) | 221647 | | |
| | (4) Other (specify below) | 7e(4) | 7940 | | |
| | ▶ NEGATIVE MARKET VALUE ADJUSTMENT | | | | |
| | (5) Total deductions | | | 7e(5) | 1074704 |
| **f** | Balance at the end of the current year (subtract **e(5)** from **d**) | | | 7f | 0 |

## Part III Welfare Benefit Contract Information

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

**8** Benefit and contract type (check all applicable boxes)

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

| | | | | |
|---|---|---|---|---|
| **9** Experience-rated contracts: | | | | |
| **a** Premiums: (1) Amount received | **9a(1)** | | | |
| (2) Increase (decrease) in amount due but unpaid | **9a(2)** | | | |
| (3) Increase (decrease) in unearned premium reserve | **9a(3)** | | | |
| (4) Earned (**(1)** + **(2)** - **(3)**) | | | **9a(4)** | 0 |
| **b** Benefit charges (1) Claims paid | **9b(1)** | | | |
| (2) Increase (decrease) in claim reserves | **9b(2)** | | | |
| (3) Incurred claims (add **(1)** and **(2)**) | | | **9b(3)** | 0 |
| (4) Claims charged | | | **9b(4)** | |
| **c** Remainder of premium: (1) Retention charges (on an accrual basis) -- | | | | |
| (A) Commissions | **9c(1)(A)** | | | |
| (B) Administrative service or other fees | **9c(1)(B)** | | | |
| (C) Other specific acquisition costs | **9c(1)(C)** | | | |
| (D) Other expenses | **9c(1)(D)** | | | |
| (E) Taxes | **9c(1)(E)** | | | |
| (F) Charges for risks or other contingencies | **9c(1)(F)** | | | |
| (G) Other retention charges | **9c(1)(G)** | | | |
| (H) Total retention | | | **9c(1)(H)** | 0 |
| (2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.) | | | **9c(2)** | |
| **d** Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement | | | **9d(1)** | |
| (2) Claim reserves | | | **9d(2)** | |
| (3) Other reserves | | | **9d(3)** | |
| **e** Dividends or retroactive rate refunds due. (Do not include amount entered in **c(2)**.) | | | **9e** | |
| **10** Nonexperience-rated contracts: | | | | |
| **a** Total premiums or subscription charges paid to carrier | | | **10a** | |
| **b** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount. | | | **10b** | |

Specify nature of costs ▶

## Part IV Provision of Information

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

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

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2011**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

**A** Name of plan
HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
HIGH DESERT MEDICAL CORPORATION

**D** Employer Identification Number (EIN)
95-3930862

## 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).. . . . . [X] 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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

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

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

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

SAGEVIEW ADVISORY GROUP

33-0818667

| (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? |
|---|---|---|---|---|---|---|
| 27 | ADVISOR | 46255 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 64 65 60 | RECORDKEEPER | 1350 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] No [ ] |

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

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

**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)

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

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

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

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

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

## Part I Service Provider Information (continued)

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

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| AM CENT DIV BOND INV - AMERICAN CEN<br><br>44-0619208 | 0.25% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| AM CENT GOVT BD INV - AMERICAN CENT<br><br>44-0619208 | 0.25% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| BLKRK HLTH SCI OPP I - BNY MELLON I P.O. BOX 9793<br>PROVIDENCE, RI 02940 | 0.25% |

## 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 |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| BLKRK US OPPS INST - BNY MELLON INV<br>P.O. BOX 9793<br>PROVIDENCE, RI 02940 | 0.25% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| DREY BASIC S&P 500 - DREYFUS TRANSF<br>13-5673135 | 0.15% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| DREY SM CAP STK IDX - DREYFUS TRANS<br>13-5673135 | 0.15% |

## Part I Service Provider Information (continued)

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

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| DREY WW GROWTH I - DREYFUS TRANSFER<br><br>13-5673135 | 0.35% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| HTFD INTL OPPS R5 - HARTFORD ADMINI<br><br>41-0679409 | 0.25% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| INVS DIVRS DIVD INST - INVESCO AIM<br><br>98-0557567 | 0.35% |

## Part I Service Provider Information (continued)

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

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| INVS REAL ESTATE IS - INVESCO INVES 11 GREENWAY PLAZA, SUITE 100 HOUSTON, TX 77046 | 0.35% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| JPM HIGH YIELD R5 - BOSTON FINANCIA<br>04-2526037 | 0.10% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| LD ABBETT DEV GRTH I - DST SYSTEMS,<br>43-1581814 | 0.10% |

## Part I Service Provider Information (continued)

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

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| NUVEEN MDCP INDEX I - US BANCORP FU<br><br>39-0281260 | 0.15% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| PERKINS MID CP VAL I - JANUS SERVIC<br><br>43-1804048 | 0.10% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| PERKINS SMCP VALUE I - JANUS SERVIC<br><br>43-1804048 | 0.10% |

## 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 |
|---|---|---|
| | | |

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

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

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

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

## Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan 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

**2011**

**This Form is Open to Public Inspection.**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

**A** Name of plan
HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
HIGH DESERT MEDICAL CORPORATION

**D** Employer Identification Number (EIN)
95-3930862

**Part I** **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT LIVING AT 2045
**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA
**c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions) 0

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT LIVING AT 2040
**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA
**c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions) 0

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT LIVING AT 2035
**b** Name of sponsor of entity listed in (a): OHN HANCOCK USA
**c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions) 0

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT LIVING AT 2030
**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA
**c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions) 0

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT LIVING AT 2025
**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA
**c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions) 0

**a** Name of MTIA, CCT, PSA, or 103-12 IE: LIFESTYLE BALANCED
**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA
**c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions) 0

**a** Name of MTIA, CCT, PSA, or 103-12 IE: T. ROWE PRICE SCI & TECH
**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA
**c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions) 0

**a** Name of MTIA, CCT, PSA, or 103-12 IE: BLUE CHIP GROWTH FUND

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: DOMINI SOCIAL EQUITY

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: WASHINGTON MUTUAL INVESTORS

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SHORT-TERM FEDERAL

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT LIVING AT 2020

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: LIFESTYLE MODERATE

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: EXPLORER

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VALUE FUND

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: NEW PERSPECTIVE FUND

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: INVESTMENT COMPANY OF AMERICA

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: MONEY MARKET

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT LIVING AT 2015

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: LIFESTYLE CONSERVATIVE

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: EUROPACIFIC GROWTH FUND

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: MID CAP INDEX FUND

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: MFS UTILITIES

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN BALANCED FUND

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: 3 YEAR COMPOUND

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT LIVING AT 2010

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: INTL SMALL CAP FUND

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: LEGG MASON CLEARBR AGG GROWTH

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: T. ROWE PRICE SML CAP VAL

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: TOTAL STOCK MARKET INDEX FUND

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: LM WESTRN ASSET GLB HIGH YIELD

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: LIFESTYLE AGGRESSIVE

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: ENERGY

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: COLUMBIA MID CAP VALUE

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: OPPENHEIMER GLOBAL

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: THE GROWTH FUND OF AMERICA

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: REAL RETURN BOND FUND

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: LIFESTYLE GROWTH

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: MID CAP STOCK FUND

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: SMALL CAP VALUE FUND

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: OPTIMIZED ALL CAP FUND

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: 500 INDEX FUND

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PIMCO TOTAL RETURN

**b** Name of sponsor of entity listed in (a): JOHN HANCOCK USA

| **c** EIN-PN 01-0233346-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**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

**2011**

**This Form is Open to Public Inspection**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

**A** Name of plan
HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
HIGH DESERT MEDICAL CORPORATION

**D** Employer Identification Number (EIN)
95-3930862

## 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 | 22651 | 0 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 389819 | 403219 |
| **(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) | 0 | 1819643 |
| **(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) | | |
| **(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) | 35515084 | 38696400 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | 1066167 | 0 |
| **(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 | 36993721 | 40919262 |
| **Liabilities** | | | |
| **g** Benefit claims payable | 1g | | |
| **h** Operating payables | 1h | 1630 | 0 |
| **i** Acquisition indebtedness | 1i | | |
| **j** Other liabilities | 1j | | |
| **k** Total liabilities (add all amounts in lines 1g through1j) | 1k | 1630 | 0 |
| **Net Assets** | | | |
| **l** Net assets (subtract line 1k from line 1f) | 1l | 36992091 | 40919262 |

## 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) | 405047 | |
| **(B)** Participants | 2a(1)(B) | 6858733 | |
| **(C)** Others (including rollovers) | 2a(1)(C) | 256991 | |
| **(2)** Noncash contributions | 2a(2) | | |
| **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 7520771 |
| **b Earnings on investments:** | | | |
| **(1)** Interest: | | | |
| **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 15762 | |
| **(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) | | |
| **(F)** Other | 2b(1)(F) | 599 | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 16361 |
| **(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) | 1282138 | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 1282138 |
| **(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) | | |

| | | (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) | | |
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | -7940 |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | 474148 |
| (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) | | -3260029 |
| c Other income | 2c | | -1587 |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 6023862 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 3244700 | |
| (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) | | 3244700 |
| f Corrective distributions (see instructions) | 2f | | 54007 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | 1 | |
| (3) Investment advisory and management fees | 2i(3) | 770 | |
| (4) Other | 2i(4) | 45998 | |
| (5) Total administrative expenses. Add lines 2i(1) through (4) | 2i(5) | | 46769 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 3345476 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line 2j from line 2d | 2k | | 2678386 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | 1248785 |
| (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: HKG, LLP (2) EIN: 95-4552788

**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

**2011**

**This Form is Open to Public Inspection.**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

**A** Name of plan
HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
HIGH DESERT MEDICAL CORPORATION

**D** Employer Identification Number (EIN)
95-3930862

## Part I Distributions

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

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

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

EIN(s): 04-6568107 01-0233346

**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 (include any prior year accumulated funding deficiency not waived) ..... **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 or other authority 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. 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):

# HERITAGE MEDICAL GROUP
# RETIREMENT SAVINGS 401(k) PLAN

Financial Statements

December 31, 2011 and 2010

(With Independent Auditors' Report Thereon)

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H | K | G LLP

**Certified Public Accountants**

## INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of
Heritage Medical Group Retirement Savings 401(k) Plan

We were engaged to audit the accompanying statements of net assets available for benefits of Heritage Medical Group Retirement Savings 401(k) Plan (the "Plan") as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011, and the supplemental schedule of Schedule H, line 4i-Schedule of Assets (Held at End of Year) as of December 31, 2011. 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 3, which was certified by Fidelity Management Trust Company and John Hancock Life Insurance Company, the trustee and former trustee 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 trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustees as of December 31, 2011 and 2010 and for the year ended December 31, 2011, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on these accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. 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 Employee Retirement Income Security Act of 1974.

HKG, LLP
Certified Public Accountants

Arcadia, California
October 3, 2012

# HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
## STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
## DECEMBER 31, 2011 AND 2010

| | 2011 | 2010 |
|---|---|---|
| **Assets** | | |
| Non-interest bearing cash | $ - | $ 22,651 |
| Investments at fair value | | |
| Money market fund | 1,819,643 | - |
| Mutual funds - participant directed | 38,696,400 | - |
| John Hancock pooled separate accounts | - | 35,515,084 |
| Guaranteed investment contracts | - | 1,065,644 |
| Total investments at fair value | 40,516,043 | 36,580,728 |
| Receivables | | |
| Employer contribution | 403,219 | 389,819 |
| Participant contribution | - | - |
| Total receivables | 403,219 | 389,819 |
| Total assets | 40,919,262 | 36,993,198 |
| **Liabilities** | | |
| Accounts payable | - | 1,630 |
| Total liabilities | - | 1,630 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | - | 523 |
| **Net assets available for plan benefits** | $ 40,919,262 | $ 36,992,091 |

The accompanying notes are an integral part of these statements.

# HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
# STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
# FOR THE YEAR ENDED DECEMBER 31, 2011

| | |
|---|---|
| **Additions to net assets attributed to** | |
| Interest on interest-bearing cash | $ 15,762 |
| Investment income | |
| Mutual fund interest and dividends | 1,282,138 |
| Interest on guaranteed investment account | 599 |
| Total investment income | 1,282,737 |
| Contributions | |
| Employer | 405,047 |
| Participants | 6,858,733 |
| Rollover | 256,991 |
| Total contributions | 7,520,771 |
| Total additions | 8,819,270 |
| **Deductions from net assets attributed to** | |
| Net depreciation in fair value of investments | 2,793,821 |
| Benefits paid to participants | 3,244,700 |
| Corrective distributions | 54,007 |
| Administrative expenses | 48,356 |
| Total deductions | 6,140,884 |
| Net increase | 2,678,386 |
| Transfer of assets to the plan (Note 6) | 1,248,785 |
| Net assets available for plan benefits - beginning of year | 36,992,091 |
| Net assets available for plan benefits - end of year | $ 40,919,262 |

The accompanying notes are an integral part of this statement.

## 1. DESCRIPTION OF THE PLAN

The following description of the Heritage Medical Group Retirement Savings 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more comprehensive description of the Plan's provisions.

### *General*

The Plan is a controlled group of corporations (the "Companies") with a defined contribution plan covering all full-time employees who have been employed as of the entrance date. 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 100 percent of their pretax annual compensation, subject to Internal Revenue Code dollar limits, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make additional catch-up contributions. Participants may also contribute (rollover) amounts representing pre-tax distributions from other qualified defined benefit or defined contribution plans. All contributions to the plan, including any matching funds by the Companies, are invested at the direction of the participants. The Companies' matching contribution is 25 percent of the participant's pretax contributions, up to 1 percent of the participant's eligible compensation. A participant who defers 4 or more percent shall receive the greater of 1 percent of eligible compensation or $360. Highly compensated employees are not eligible for the matching contributions. Matching contributions shall be made only to participants who have completed 1,000 hours of service and employed on the last day of the plan year.

### *Participant Accounts*

Each participant's account is credited or charged with his or her contributions and allocations for the Companies' contributions, investment earnings or losses and trustee quarterly account and special transaction charges. Allocations are based on participant earnings, account balances, or account activity. The benefit to which a participant is entitled is the benefit that can be provided from their vested account.

### *Vesting*

Participants are vested immediately in their contributions adjusted by investment earnings or losses thereon. The Companies' contributions are vested based on years of credited service. There is a graded vesting schedule whereby a participant is 100 percent vested after six years of credited service (20% per year from the completion of two years of service). Upon retirement age, death, disablement or termination of the Plan by the Companies, a participant becomes fully vested.

### *Investment Options*

Participants direct the investment of all contributions into various investment options offered by the Plan. The participants may change their investment option at any time.

## 1. DESCRIPTION OF THE PLAN (continued)

***Payments of Benefits***

On termination of service due to death, permanent disability or retirement, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments, or partial payments. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. The Plan also allows in-service hardship withdrawals before retirement age for qualifying circumstances.

***Forfeited Accounts***

Forfeited nonvested accounts are used to reduce employer contributions. At December 31, 2011 and 2010, nonvested forfeitures to be allocated were $-0- and $22,651, respectively.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Estimates***

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

***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, income is recognized when earned, and expenses are recorded when incurred.

***Investment Valuation and Income Recognition***

The Plan's 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)*

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 includes the plan's gains and losses on investments bought and sold as well as held during the year.

The Plan presents, in the statement of changes in net assets available for plan benefits, the net appreciation in the fair value of its investments, which consists of the realized and unrealized gains on those investments.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

***Payments of benefits***

Benefit payments to participants are recorded when paid. At December 31, 2011 and 2010, there were no unpaid benefits.

***Administrative Costs***

The Plan elected to pay all administrative expenses including general trustee costs. Participants were charged only with trustee quarterly account and special transaction charges.

## 3. INFORMATION PREPARED AND CERTIFIED BY THE TRUSTEE (UNAUDITED)

Fidelity Trust Management Company ("Fidelity") and John Hancock Life Insurance Company ("John Hancock"), the trustee and former trustee, have certified that the following information included in the financial statements as of December 31, 2011 and 2010, respectively, is complete and accurate:

a. Investments as included in the Statements of Net Assets Available for Plan Benefits.

Fidelity and John Hancock have certified that the following information included in the financial statements as of December 31, 2011 is complete and accurate:

a. All information pertaining to investment income and expenses in the Statement of Changes in Net Assets Available for Plan Benefits.

## 4. INVESTMENTS

The fair value of individual investment funds that represent 5 percent or more of the Plan's net assets as of December 31, 2011 and 2010 are as follows:

| | 2011 | 2010 |
|---|---|---|
| FA Freedom 2020 I Fund | $ 6,461,517 | N/A |
| FA Freedom 2030 I Fund | $ 5,357,484 | N/A |
| FA Freedom 2015 I Fund | $ 4,820,795 | N/A |
| FA Freedom 2025 I Fund | $ 5,996,429 | N/A |
| FA Freedom 2035 I Fund | $ 2,903,347 | N/A |
| John Hancock Lifestyle Conservative Fund | N/A | $ 2,418,485 |
| John Hancock Lifestyle Balanced Fund | N/A | $ 4,802,049 |
| John Hancock Lifestyle Growth Fund | N/A | $ 3,492,591 |
| John Hancock Lifestyle Aggressive Fund | N/A | $ 2,735,169 |
| John Hancock Lifestyle Money Market Fund | N/A | $ 2,627,476 |

## 5. FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for plan benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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.

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC) 820, *Fair Value Measurements*, 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).

## 5. FAIR VALUE MEASUREMENTS (continued)

The three levels of fair value hierarchy under FASB ASC 820-10 are described as follows:

**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 are observable other than level 1 prices, such as quoted prices for similar assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3** Inputs to the valuation measurement are unobservable, supported by the little or no market data, and are significant to the fair value of the assets and liabilities.

The asset 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 December 31, 2011 and 2010.

*Mutual funds:* Valued at the net asset value (NAV) of shares held by the plan at year end.

*Pooled separate accounts:* Valued at the number of shares of the underlying fund multiplied by the closing net asset value per share quoted by that fund.

*Guaranteed investment contracts:* Valued by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

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 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.

## 5. FAIR VALUE MEASUREMENTS (continued)

Fair value of assets measured on a recurring basis at December 31, 2011:

| | 2011 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Money market fund | $ 1,819,643 | - | - | $ 1,819,643 |
| Mutual funds | - | $ 38,696,400 | - | 38,696,400 |
| | $ 1,819,643 | $ 38,696,400 | - | $ 40,516,043 |

Fair value of assets measured on a recurring basis at December 31, 2010:

| | 2010 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Pooled separate accounts | $ - | $ 35,515,084 | - | $ 35,515,084 |
| Guaranteed investment contracts | - | | $ 1,065,644 | 1,065,644 |
| | $ - | $ 35,515,084 | $ 1,065,644 | $ 36,580,728 |

As of December 31, 2011 and 2010, the Plan had no assets measured at fair value on a non-recurring basis and no liabilities measured at fair value on a recurring or non-recurring basis.

The following is a summary of changes in the fair value of guaranteed investment account, the plan's level 3 asset for the year ended December 31, 2011:

| | |
|---|---|
| Balance, beginning of year | $ 1,065,644 |
| Purchases, sales, issuances, and settlements (net) | (1,065,644) |
| Balance, end of year | $ - |

## 6. TRANSFER OF ASSETS TO THE PLAN

Transfer of assets to the plan consists of assets transferred from a defined contribution plan from a company acquired by Heritage Medical Group.

## 7. PLAN TERMINATION

Although it has not expressed any intent to do so, the Companies have 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 100 percent vested in their employer contributions.

## 8. PARTY-IN-INTEREST TRANSACTIONS

Certain plan investments are shares of a money market fund and mutual funds which are managed by Fidelity. Fidelity is the trustee of the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services are included in net depreciation in fair value of investments on the Statement of Changes in Net Assets Available for Plan Benefits.

## 9. TAX STATUS

The Internal Revenue Service has determined and informed the Plan by a letter dated April 18, 2012 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The plan administrator believes the Plan is designed and currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

The Plan has implemented the accounting requirements associated with the uncertainty in income taxes using the provisions of FASB ASC 740, *Income Taxes.* Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not the positions will be sustained upon examination by tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

As of December 31, 2011, the Plan had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

The Plan administrator believes the Plan is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years before 2008.

## 10. RISKS AND UNCERTAINTIES

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

## 11. SUBSEQUENT EVENTS

The Plan committee has evaluated subsequent events through October 3, 2012, the date the financial statements were available to be issued.

# SUPPLEMENTAL INFORMATION

**HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN**

**SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR**

**DECEMBER 31, 2011**

*Attachment to Schedule H, Line 4(i)*
*Schedule of Assets Held for Investment Purposes at End of Year*

*Plan Name:* *Heritage Medical Group Retirement Savings 401(k) Plan*
*EIN:* *95-3930862*
*Plan Number:* *002*

| (a) | (b) Identity of issue, borrower or similar party | (c) Description of Investment | (d) Cost | (e) Current value |
|---|---|---|---|---|
| * | FID Retire Mmkt | Money Market Fund | N/A | $ 1,819,643 |
| * | FA Freedom 2010 I | Mutual Fund | N/A | 1,626,779 |
| * | FA Freedom 2020 I | Mutual Fund | N/A | 6,461,517 |
| * | FA Freedom 2030 I | Mutual Fund | N/A | 5,357,484 |
| * | FA Freedom 2040 I | Mutual Fund | N/A | 1,879,858 |
| * | FA Freedom Inc I | Mutual Fund | N/A | 84,830 |
| * | FA New Insights I | Mutual Fund | N/A | 553,638 |
| * | FA Freedom 2005 I | Mutual Fund | N/A | 1,450,621 |
| * | FA Freedom 2015 I | Mutual Fund | N/A | 4,820,795 |
| * | FA Freedom 2025 I | Mutual Fund | N/A | 5,996,429 |
| * | FA Freedom 2035 I | Mutual Fund | N/A | 2,903,347 |
| * | FA Freedom 2045 I | Mutual Fund | N/A | 1,330,655 |
| * | FA Freedom 2050 I | Mutual Fund | N/A | 463,209 |
| * | PIM Total RT Inst | Mutual Fund | N/A | 789,465 |
| * | Drey SM Cap Stk Idx | Mutual Fund | N/A | 284,745 |
| * | Drey WW Growth I | Mutual Fund | N/A | 527,776 |
| * | BLKRK US Opps Inst | Mutual Fund | N/A | 389,237 |
| * | Nuveen Mdcp Index I | Mutual Fund | N/A | 391,274 |
| * | Drey Basic S&P 500 | Mutual Fund | N/A | 878,283 |
| * | Invs Divrs Divd Inst | Mutual Fund | N/A | 270,099 |
| * | AM Cent Govt BD Inv | Mutual Fund | N/A | 222,409 |
| * | Blkrk Hlth Sci Opp I | Mutual Fund | N/A | 349,162 |
| * | Htfd Intl Opps R5 | Mutual Fund | N/A | 185,717 |
| * | Invs Real Estate Is | Mutual Fund | N/A | 260,594 |
| * | LD Abbett Dev Grth I | Mutual Fund | N/A | 694,449 |
| * | AM Cent Div Bond Inv | Mutual Fund | N/A | 148,777 |
| * | Perkins Mid Cp Val I | Mutual Fund | N/A | 109,221 |
| * | JPM High Yield R5 | Mutual Fund | N/A | 156,425 |
| * | Perkins Smcp Value I | Mutual Fund | N/A | 109,608 |
| | Total investments | | | $ 40,516,043 |

* *Party-in-interest*

*The information in this schedule has been certified by Fidelity Management Trust Company, the trustee, as complete and accurate.*

# HERITAGE MEDICAL GROUP
# RETIREMENT SAVINGS 401(k) PLAN

Financial Statements

December 31, 2011 and 2010

(With Independent Auditors' Report Thereon)

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H | K | G LLP

**Certified Public Accountants**

## INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of
Heritage Medical Group Retirement Savings 401(k) Plan

We were engaged to audit the accompanying statements of net assets available for benefits of Heritage Medical Group Retirement Savings 401(k) Plan (the "Plan") as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011, and the supplemental schedule of Schedule H, line 4i-Schedule of Assets (Held at End of Year) as of December 31, 2011. 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 3, which was certified by Fidelity Management Trust Company and John Hancock Life Insurance Company, the trustee and former trustee 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 trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustees as of December 31, 2011 and 2010 and for the year ended December 31, 2011, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on these accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. 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 Employee Retirement Income Security Act of 1974.

HKG, LLP
Certified Public Accountants

Arcadia, California
October 3, 2012

# HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
## STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
## DECEMBER 31, 2011 AND 2010

| | 2011 | 2010 |
|---|---|---|
| **Assets** | | |
| Non-interest bearing cash | $ - | $ 22,651 |
| Investments at fair value | | |
| Money market fund | 1,819,643 | - |
| Mutual funds - participant directed | 38,696,400 | - |
| John Hancock pooled separate accounts | - | 35,515,084 |
| Guaranteed investment contracts | - | 1,065,644 |
| Total investments at fair value | 40,516,043 | 36,580,728 |
| Receivables | | |
| Employer contribution | 403,219 | 389,819 |
| Participant contribution | - | - |
| Total receivables | 403,219 | 389,819 |
| Total assets | 40,919,262 | 36,993,198 |
| **Liabilities** | | |
| Accounts payable | - | 1,630 |
| Total liabilities | - | 1,630 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | - | 523 |
| **Net assets available for plan benefits** | $ 40,919,262 | $ 36,992,091 |

The accompanying notes are an integral part of these statements.

# HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN
# STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
# FOR THE YEAR ENDED DECEMBER 31, 2011

| | |
|---|---|
| **Additions to net assets attributed to** | |
| Interest on interest-bearing cash | $ 15,762 |
| Investment income | |
| Mutual fund interest and dividends | 1,282,138 |
| Interest on guaranteed investment account | 599 |
| Total investment income | 1,282,737 |
| Contributions | |
| Employer | 405,047 |
| Participants | 6,858,733 |
| Rollover | 256,991 |
| Total contributions | 7,520,771 |
| Total additions | 8,819,270 |
| **Deductions from net assets attributed to** | |
| Net depreciation in fair value of investments | 2,793,821 |
| Benefits paid to participants | 3,244,700 |
| Corrective distributions | 54,007 |
| Administrative expenses | 48,356 |
| Total deductions | 6,140,884 |
| Net increase | 2,678,386 |
| Transfer of assets to the plan (Note 6) | 1,248,785 |
| Net assets available for plan benefits - beginning of year | 36,992,091 |
| Net assets available for plan benefits - end of year | $ 40,919,262 |

The accompanying notes are an integral part of this statement.

## 1. DESCRIPTION OF THE PLAN

The following description of the Heritage Medical Group Retirement Savings 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more comprehensive description of the Plan's provisions.

### *General*

The Plan is a controlled group of corporations (the "Companies") with a defined contribution plan covering all full-time employees who have been employed as of the entrance date. 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 100 percent of their pretax annual compensation, subject to Internal Revenue Code dollar limits, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make additional catch-up contributions. Participants may also contribute (rollover) amounts representing pre-tax distributions from other qualified defined benefit or defined contribution plans. All contributions to the plan, including any matching funds by the Companies, are invested at the direction of the participants. The Companies' matching contribution is 25 percent of the participant's pretax contributions, up to 1 percent of the participant's eligible compensation. A participant who defers 4 or more percent shall receive the greater of 1 percent of eligible compensation or $360. Highly compensated employees are not eligible for the matching contributions. Matching contributions shall be made only to participants who have completed 1,000 hours of service and employed on the last day of the plan year.

### *Participant Accounts*

Each participant's account is credited or charged with his or her contributions and allocations for the Companies' contributions, investment earnings or losses and trustee quarterly account and special transaction charges. Allocations are based on participant earnings, account balances, or account activity. The benefit to which a participant is entitled is the benefit that can be provided from their vested account.

### *Vesting*

Participants are vested immediately in their contributions adjusted by investment earnings or losses thereon. The Companies' contributions are vested based on years of credited service. There is a graded vesting schedule whereby a participant is 100 percent vested after six years of credited service (20% per year from the completion of two years of service). Upon retirement age, death, disablement or termination of the Plan by the Companies, a participant becomes fully vested.

### *Investment Options*

Participants direct the investment of all contributions into various investment options offered by the Plan. The participants may change their investment option at any time.

## 1. DESCRIPTION OF THE PLAN (continued)

***Payments of Benefits***

On termination of service due to death, permanent disability or retirement, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments, or partial payments. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. The Plan also allows in-service hardship withdrawals before retirement age for qualifying circumstances.

***Forfeited Accounts***

Forfeited nonvested accounts are used to reduce employer contributions. At December 31, 2011 and 2010, nonvested forfeitures to be allocated were $-0- and $22,651, respectively.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Estimates***

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

***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, income is recognized when earned, and expenses are recorded when incurred.

***Investment Valuation and Income Recognition***

The Plan's 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)*

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 includes the plan's gains and losses on investments bought and sold as well as held during the year.

The Plan presents, in the statement of changes in net assets available for plan benefits, the net appreciation in the fair value of its investments, which consists of the realized and unrealized gains on those investments.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

***Payments of benefits***

Benefit payments to participants are recorded when paid. At December 31, 2011 and 2010, there were no unpaid benefits.

***Administrative Costs***

The Plan elected to pay all administrative expenses including general trustee costs. Participants were charged only with trustee quarterly account and special transaction charges.

## 3. INFORMATION PREPARED AND CERTIFIED BY THE TRUSTEE (UNAUDITED)

Fidelity Trust Management Company ("Fidelity") and John Hancock Life Insurance Company ("John Hancock"), the trustee and former trustee, have certified that the following information included in the financial statements as of December 31, 2011 and 2010, respectively, is complete and accurate:

a. Investments as included in the Statements of Net Assets Available for Plan Benefits.

Fidelity and John Hancock have certified that the following information included in the financial statements as of December 31, 2011 is complete and accurate:

a. All information pertaining to investment income and expenses in the Statement of Changes in Net Assets Available for Plan Benefits.

## 4. INVESTMENTS

The fair value of individual investment funds that represent 5 percent or more of the Plan's net assets as of December 31, 2011 and 2010 are as follows:

| | 2011 | 2010 |
|---|---|---|
| FA Freedom 2020 I Fund | $ 6,461,517 | N/A |
| FA Freedom 2030 I Fund | $ 5,357,484 | N/A |
| FA Freedom 2015 I Fund | $ 4,820,795 | N/A |
| FA Freedom 2025 I Fund | $ 5,996,429 | N/A |
| FA Freedom 2035 I Fund | $ 2,903,347 | N/A |
| John Hancock Lifestyle Conservative Fund | N/A | $ 2,418,485 |
| John Hancock Lifestyle Balanced Fund | N/A | $ 4,802,049 |
| John Hancock Lifestyle Growth Fund | N/A | $ 3,492,591 |
| John Hancock Lifestyle Aggressive Fund | N/A | $ 2,735,169 |
| John Hancock Lifestyle Money Market Fund | N/A | $ 2,627,476 |

## 5. FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for plan benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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.

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC) 820, *Fair Value Measurements*, 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).

## 5. FAIR VALUE MEASUREMENTS (continued)

The three levels of fair value hierarchy under FASB ASC 820-10 are described as follows:

**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 are observable other than level 1 prices, such as quoted prices for similar assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3** Inputs to the valuation measurement are unobservable, supported by the little or no market data, and are significant to the fair value of the assets and liabilities.

The asset 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 December 31, 2011 and 2010.

*Mutual funds:* Valued at the net asset value (NAV) of shares held by the plan at year end.

*Pooled separate accounts:* Valued at the number of shares of the underlying fund multiplied by the closing net asset value per share quoted by that fund.

*Guaranteed investment contracts:* Valued by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

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 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.

## 5. FAIR VALUE MEASUREMENTS (continued)

Fair value of assets measured on a recurring basis at December 31, 2011:

| | 2011 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Money market fund | $ 1,819,643 | - | - | $ 1,819,643 |
| Mutual funds | - | $ 38,696,400 | - | 38,696,400 |
| | $ 1,819,643 | $ 38,696,400 | - | $ 40,516,043 |

Fair value of assets measured on a recurring basis at December 31, 2010:

| | 2010 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Pooled separate accounts | $ - | $ 35,515,084 | - | $ 35,515,084 |
| Guaranteed investment contracts | - | | $ 1,065,644 | 1,065,644 |
| | $ - | $ 35,515,084 | $ 1,065,644 | $ 36,580,728 |

As of December 31, 2011 and 2010, the Plan had no assets measured at fair value on a non-recurring basis and no liabilities measured at fair value on a recurring or non-recurring basis.

The following is a summary of changes in the fair value of guaranteed investment account, the plan's level 3 asset for the year ended December 31, 2011:

| | |
|---|---|
| Balance, beginning of year | $ 1,065,644 |
| Purchases, sales, issuances, and settlements (net) | (1,065,644) |
| Balance, end of year | $ - |

## 6. TRANSFER OF ASSETS TO THE PLAN

Transfer of assets to the plan consists of assets transferred from a defined contribution plan from a company acquired by Heritage Medical Group.

## 7. PLAN TERMINATION

Although it has not expressed any intent to do so, the Companies have 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 100 percent vested in their employer contributions.

## 8. PARTY-IN-INTEREST TRANSACTIONS

Certain plan investments are shares of a money market fund and mutual funds which are managed by Fidelity. Fidelity is the trustee of the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services are included in net depreciation in fair value of investments on the Statement of Changes in Net Assets Available for Plan Benefits.

## 9. TAX STATUS

The Internal Revenue Service has determined and informed the Plan by a letter dated April 18, 2012 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The plan administrator believes the Plan is designed and currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

The Plan has implemented the accounting requirements associated with the uncertainty in income taxes using the provisions of FASB ASC 740, *Income Taxes.* Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not the positions will be sustained upon examination by tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

As of December 31, 2011, the Plan had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

The Plan administrator believes the Plan is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years before 2008.

## 10. RISKS AND UNCERTAINTIES

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

## 11. SUBSEQUENT EVENTS

The Plan committee has evaluated subsequent events through October 3, 2012, the date the financial statements were available to be issued.

# SUPPLEMENTAL INFORMATION

**HERITAGE MEDICAL GROUP RETIREMENT SAVINGS 401(k) PLAN**

**SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR**

**DECEMBER 31, 2011**

*Attachment to Schedule H, Line 4(i)*
*Schedule of Assets Held for Investment Purposes at End of Year*

*Plan Name:* *Heritage Medical Group Retirement Savings 401(k) Plan*
*EIN:* *95-3930862*
*Plan Number:* *002*

| (a) | (b) Identity of issue, borrower or similar party | (c) Description of Investment | (d) Cost | (e) Current value |
|---|---|---|---|---|
| * | FID Retire Mmkt | Money Market Fund | N/A | $ 1,819,643 |
| * | FA Freedom 2010 I | Mutual Fund | N/A | 1,626,779 |
| * | FA Freedom 2020 I | Mutual Fund | N/A | 6,461,517 |
| * | FA Freedom 2030 I | Mutual Fund | N/A | 5,357,484 |
| * | FA Freedom 2040 I | Mutual Fund | N/A | 1,879,858 |
| * | FA Freedom Inc I | Mutual Fund | N/A | 84,830 |
| * | FA New Insights I | Mutual Fund | N/A | 553,638 |
| * | FA Freedom 2005 I | Mutual Fund | N/A | 1,450,621 |
| * | FA Freedom 2015 I | Mutual Fund | N/A | 4,820,795 |
| * | FA Freedom 2025 I | Mutual Fund | N/A | 5,996,429 |
| * | FA Freedom 2035 I | Mutual Fund | N/A | 2,903,347 |
| * | FA Freedom 2045 I | Mutual Fund | N/A | 1,330,655 |
| * | FA Freedom 2050 I | Mutual Fund | N/A | 463,209 |
| * | PIM Total RT Inst | Mutual Fund | N/A | 789,465 |
| * | Drey SM Cap Stk Idx | Mutual Fund | N/A | 284,745 |
| * | Drey WW Growth I | Mutual Fund | N/A | 527,776 |
| * | BLKRK US Opps Inst | Mutual Fund | N/A | 389,237 |
| * | Nuveen Mdcp Index I | Mutual Fund | N/A | 391,274 |
| * | Drey Basic S&P 500 | Mutual Fund | N/A | 878,283 |
| * | Invs Divrs Divd Inst | Mutual Fund | N/A | 270,099 |
| * | AM Cent Govt BD Inv | Mutual Fund | N/A | 222,409 |
| * | Blkrk Hlth Sci Opp I | Mutual Fund | N/A | 349,162 |
| * | Htfd Intl Opps R5 | Mutual Fund | N/A | 185,717 |
| * | Invs Real Estate Is | Mutual Fund | N/A | 260,594 |
| * | LD Abbett Dev Grth I | Mutual Fund | N/A | 694,449 |
| * | AM Cent Div Bond Inv | Mutual Fund | N/A | 148,777 |
| * | Perkins Mid Cp Val I | Mutual Fund | N/A | 109,221 |
| * | JPM High Yield R5 | Mutual Fund | N/A | 156,425 |
| * | Perkins Smcp Value I | Mutual Fund | N/A | 109,608 |
| | Total investments | | | $ 40,516,043 |

* *Party-in-interest*

*The information in this schedule has been certified by Fidelity Management Trust Company, the trustee, as complete and accurate.*