

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2011</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>RS MEDICAL 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>07/01/1993</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>07/01/1993</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>07/01/1993</u>					
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>INTERNATIONAL REHABILITATIVE SCIENCES, INC.</u> <u>PO BOX 87369 VANCOUVER, WA 98687</u> <div style="float: right; text-align: right;"> <u>14401 S.E. FIRST STREET VANCOUVER, WA 98684</u> </div>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>91-1490213</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>360-892-0339</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>454390</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>91-1490213</u>	2c Sponsor's telephone number <u>360-892-0339</u>	2d Business code (see instructions) <u>454390</u>	
2b Employer Identification Number (EIN) <u>91-1490213</u>					
2c Sponsor's telephone number <u>360-892-0339</u>					
2d Business code (see instructions) <u>454390</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/16/2012	MARY MANNING
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/16/2012	MARY MANNING
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") INTERNATIONAL REHABILITATIVE SCIENCES, INC. PO BOX 87369 VANCOUVER, WA 98687	3b Administrator's EIN 91-1490213 3c Administrator's telephone number 360-892-0339
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	647
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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	439
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	135
d Subtotal. Add lines 6a , 6b , and 6c	6d	574
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	574
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	528
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	137

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2F 2G 2J 2K 3H 2S 2T

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

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

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

SCHEDULE A (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	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 <hr/> 2011 <hr/> This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning **01/01/2011** and ending **12/31/2011**

A Name of plan RS MEDICAL 401(K) PLAN	B Three-digit plan number (PN)	001
C Plan sponsor's name as shown on line 2a of Form 5500 INTERNATIONAL REHABILITATIVE SCIENCES, INC.	D Employer Identification Number (EIN) 91-1490213	

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

(a) Name of insurance carrier

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
04-1590850	65935	MR 60127 - 1	0	01/01/2012	11/21/2011

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
7480	0

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

LPL FINANCIAL CORPORATION
9785 TOWNE CENTRE DRIVE
SAN DIEGO, CA 92121

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
4543	0		4

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

SBHU LIFE AGENCY INC
333 W 34TH ST FL 7
NEW YORK, NY 10001

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
2937	0		4

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule A (Form 5500) 2011
v.012611

(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	0

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

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

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

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

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ **GROUP ANNUITY CONTRACT**

b Balance at the end of the previous year	7b	708991
c Additions: (1) Contributions deposited during the year	7c(1)	21764
(2) Dividends and credits	7c(2)	0
(3) Interest credited during the year	7c(3)	28842
(4) Transferred from separate account	7c(4)	0
(5) Other (specify below)..... ▶ LN INT, LN PRIN, LOAN DEFAULT, TRAN	7c(5)	6557
(6) Total additions	7c(6)	57163
d Total of balance and additions (add b and c(6))	7d	766154
e Deductions:		
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	194921
(2) Administration charge made by carrier	7e(2)	1048
(3) Transferred to separate account	7e(3)	550598
(4) Other (specify below)..... ▶ LN DISTRIB, PD TRUST LAPSE	7e(4)	19587
(5) Total deductions	7e(5)	766154
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)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

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

Specify nature of costs ▶

Part IV Provision of Information

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

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

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 RS MEDICAL 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 INTERNATIONAL REHABILITATIVE SCIENCES, INC.	D Employer Identification Number (EIN) 91-1490213

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
SPECTRUM PENSION CONSULTANTS, INC.

91-1035498

(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)

SBHU LIFE AGENCY INC

13-2896238

(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?
53	SERVICE PROVIDER	0	Yes ☒ No ☐	Yes ☐ No ☒	26569	Yes ☐ No ☒

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

LPL FINANCIAL CORPORATION

95-2834236

(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?
53	SERVICE PROVIDER	0	Yes ☒ No ☐	Yes ☐ No ☒	6363	Yes ☐ No ☒

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

MASSACHUSETTS MUTUAL LIFE INSURANCE

04-1590850

(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	SERVICE PROVIDER	10990	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)

SPECTRUM PENSION CONSULTANTS, INC.

91-1035498

(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	SERVICE PROVIDER	13379	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

SLOY, DAHL & HOLST, INC.

93-0989022

(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?
26 27	SERVICE PROVIDER	14492	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
SBHU LIFE AGENCY INC	53	26569

(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.
MASSACHUSETTS MUTUAL LIFE INSURANCE 04-1590850	COMMISSIONS AND FEES

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
LPL FINANCIAL CORPORATION	53	6363

(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.
MASSACHUSETTS MUTUAL LIFE INSURANCE 04-1590850	COMMISSIONS AND FEES

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

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

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

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

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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>RS MEDICAL 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>INTERNATIONAL REHABILITATIVE SCIENCES, INC.</u>	D Employer Identification Number (EIN) <u>91-1490213</u>	

	Part I Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a	<u>0</u>	<u>16398</u>
b	Receivables (less allowance for doubtful accounts):			
(1)	Employer contributions	1b(1)	<u>5066</u>	<u>12161</u>
(2)	Participant contributions	1b(2)	<u>56941</u>	<u>58549</u>
(3)	Other	1b(3)		
c	General investments:			
(1)	Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2)	U.S. Government securities	1c(2)		
(3)	Corporate debt instruments (other than employer securities):			
(A)	Preferred	1c(3)(A)		
(B)	All other	1c(3)(B)		
(4)	Corporate stocks (other than employer securities):			
(A)	Preferred	1c(4)(A)		
(B)	Common	1c(4)(B)		
(5)	Partnership/joint venture interests	1c(5)		
(6)	Real estate (other than employer real property)	1c(6)		
(7)	Loans (other than to participants)	1c(7)		
(8)	Participant loans	1c(8)	<u>295232</u>	<u>276449</u>
(9)	Value of interest in common/collective trusts	1c(9)	<u>0</u>	<u>691296</u>
(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)	<u>15261389</u>	<u>15115417</u>
(14)	Value of funds held in insurance company general account (unallocated contracts)	1c(14)	<u>756917</u>	<u>0</u>
(15)	Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	16375545	16170270

Liabilities

g Benefit claims payable	1g	0	3350
h Operating payables	1h	0	200
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	3550

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	16375545	16166720
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Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	315667	
(B) Participants	2a(1)(B)	1680926	
(C) Others (including rollovers)	2a(1)(C)	275065	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2271658

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	20816	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		20816

(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)	379666	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		379666

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-361369
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		2310771

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2405084	
(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)		2405084
f Corrective distributions (see instructions)	2f		6669
g Certain deemed distributions of participant loans (see instructions).....	2g		68982
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	24369	
(3) Investment advisory and management fees	2i(3)	14492	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		38861
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2519596

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-208825
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

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

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

(1) Name: GEFEN MESHER & COMPANY, P.C.

(2) EIN: 93-1042710

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....	X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	X		

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

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

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>RS MEDICAL 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>INTERNATIONAL REHABILITATIVE SCIENCES, INC.</u>	D Employer Identification Number (EIN) <u>91-1490213</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>42-1558009</u> <u>04-1590850</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (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.
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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): _____

RS MEDICAL 401(K) PLAN

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

RS MEDICAL 401(K) PLAN

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YEARS ENDED DECEMBER 31, 2011 AND 2010

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FINANCIAL STATEMENTS

2 Statements of net assets available for benefits

3 Statements of changes in net assets available for benefits

4-13 Notes to financial statements

SUPPLEMENTAL SCHEDULE

14 Schedule of assets (held at end of year)

INDEPENDENT AUDITORS' REPORT

Plan Administrator
RS Medical 401(k) Plan
Vancouver, Washington

We were engaged to audit the accompanying financial statements of RS Medical 401(k) Plan as of December 31, 2011 and 2010, and for the years then ended and the supplemental schedule as of December 31, 2011, as listed in the accompanying table of contents. 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 ("ERISA"), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Charles Schwab Bank, the asset custodian as of December 31, 2011 and for the period November 1, 2011 to December 31, 2011 and MassMutual Life Insurance Company, the asset custodian as of December 31, 2010 and the year then ended and for the period January 1, 2011 to October 31, 2011, 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 asset custodians hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained a certification from the asset custodians as of and for the years ended December 31, 2011 and 2010, that the information provided to the Plan administrator by the asset custodians is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and 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 ERISA. 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 asset custodians, 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 ERISA.

Geffen Mesher & Company, P.C.

October 12, 2012

RS MEDICAL 401(K) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31,	2011	2010
ASSETS		
Receivables		
Employer contributions	\$ 12,161	\$ 5,066
Participant contributions	58,549	56,941
Notes receivable from participants	276,449	295,232
	347,159	357,239
Investments, at fair value		
Noninterest-bearing cash	16,398	
Value of interest in registered investment companies	15,115,417	15,261,389
Investment in guaranteed interest contract		756,917
Value of interest in common/collective trusts	691,296	
	15,823,111	16,018,306
	16,170,270	16,375,545
LIABILITIES		
Corrective distributions		6,874
Operating payables	200	
Net assets reflecting investments at fair value	16,170,070	16,368,671
Adjustment from fair value to contract value for fully benefit-responsive investment contracts		(47,926)
Net assets available for benefits	\$ 16,170,070	\$ 16,320,745

RS MEDICAL 401(K) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Years Ended December 31,	2011	2010
ADDITIONS TO NET ASSETS ATTRIBUTABLE TO		
Contributions		
Employer contributions	\$ 315,667	\$ 311,208
Participant contributions	1,680,926	1,480,465
Participant rollovers	275,065	19,130
	2,271,658	1,810,803
Investment income		
Net appreciation (depreciation) in fair value of registered investment companies	(361,369)	1,609,263
Interest and dividends	400,482	352,906
Other income	47,926	
	87,039	1,962,169
	2,358,697	3,772,972
DEDUCTIONS FROM NET ASSETS ATTRIBUTABLE TO		
Benefits paid to participants	2,401,529	858,398
Deemed distributions of notes receivable from participants	68,982	36,114
Administrative expenses	38,861	8,457
	2,509,372	902,969
Net change	(150,675)	2,870,003
Net assets available for benefits		
Beginning of year	16,320,745	13,450,742
End of year	\$ 16,170,070	\$ 16,320,745

RS MEDICAL 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

1. Description of Plan

The following description of the RS Medical 401(k) Plan (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

General

The Plan is a 401(k) defined contribution plan covering all employees of International Rehabilitative Sciences, Inc. (dba RS Medical) (the “Plan Sponsor”) and its wholly-owned subsidiary, Meagan Medical, Inc. (collectively, the “Companies”) who have completed 90 days of service, are not in an excluded employee group and have attained the age of 21. The following employee groups are not covered under the Plan: union employees, non-resident aliens with no U.S. earned income, leased employees, independent contractors, commission-only employees who receive no benefits and are not regularly scheduled to work 1,000 hours in a Plan year and employees hired on a temporary or project basis for a limited period of time. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Plan amendments

During 2010, the Plan was amended and restated, effective January 1, 2010, to be consistent with the Economic Growth and Tax Relief Reconciliation Act of 2001. The restated Plan also changed the definition of eligible Plan compensation to exclude bonuses and deemed Section 125 compensation. During June 2010, the Plan was amended effective January 1, 2011, to provide for automatic enrollment at 3% of participants’ eligible Plan compensation, with annual increases of 1% each year to the deferral rate, until the rate reaches 6% of participants’ eligible Plan compensation. During September 2010, the Plan was amended to allow for participants to convert distributions of vested account balances to a designated Roth account within the Plan. In November 2010, the Plan was amended to add Meagan Medical, Inc. as a participating employer, effective March 1, 2009. The amendments and restatement did not have a material effect on the presentation or disclosure in the 2011 or 2010 financial statements. The following descriptions reflect the Plan as amended and restated.

Contributions

Each year, participants may contribute up to 100% of pretax annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans, as defined in the Plan. Participant salary deferral contributions are made voluntarily, subject to certain limits set by the Internal Revenue Code (“IRC”). The Plan permits pretax and Roth participant contributions. The Plan has an Eligible Automatic Contribution Arrangement, whereby all eligible participants will be automatically enrolled at a deferral rate of 3% of participants’ eligible Plan compensation unless they elect to opt out of participating in the Plan. During June 2010, the Plan was amended effective January 1, 2011, to provide for automatic annual increases of 1% each year to the deferral rate, until the rate reaches 6% of participants’ eligible Plan compensation. Participants direct the investment of their contributions and any employer contributions into various investment options offered by the Plan. The Plan currently offers various registered investment companies and common/collective trusts as investment options for participants. The employers may make discretionary matching contributions. For the years ended December 31, 2011 and 2010, the Companies contributed 50% of participants’ contributions up to 3% of participants’ salaries.

RS MEDICAL 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2011 AND 2010

1. Description of Plan (continued)

Participant accounts

Each participant's account is credited with the participant's contribution and allocations of the Companies' contribution and Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in benefits derived from employer contributions and earnings thereon is based on years of service in accordance with a graduated scale. A participant is 100% vested after six years of credited service.

Notes receivable from participants

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balances. The loans are secured by the vested balances in the participants' accounts and bear interest at rates that range from 5.25% to 10.25%, which are commensurate with local prevailing rates as determined periodically by the Plan administrator. Principal and interest is paid ratably through regular payroll deductions.

Payment of benefits

Benefits equal to the vested value of participants' accounts are payable upon retirement, termination, permanent disability or death. Partial or full withdrawal of participants' account balances are also available under certain circumstances described in the Plan document. Dependent on the circumstances, participants may be able to elect lump sum or installment payments.

Corrective distributions

Contributions received from participants for 2011 and 2010 are net of payments of approximately \$-0- and \$7,000 made in 2012 and 2011, respectively, to certain active participants for their excess deferral contributions as required to satisfy the relevant nondiscrimination provisions of the Plan. Contributions received from employers for 2011 and 2010 are net of payments of approximately \$-0- and \$1,000 made in 2012 and 2011, respectively, to the Plan Sponsor to return excess contributions as required to satisfy the relevant nondiscrimination provisions of the Plan. The amounts are also included in the Plan's statements of net assets available for benefits as corrective distributions at December 31, 2011 and 2010.

Forfeited accounts

At December 31, 2011 and 2010, forfeited nonvested accounts totaled approximately \$1,600 and \$23,700, respectively. Forfeitures may be used to pay Plan administrative expenses or may be used to reduce future employer contributions. In 2011 and 2010, employer contributions were reduced by approximately \$63,500 and \$36,700, respectively, from forfeited non-vested accounts.

Terminated participants

The "vested" portion of participants' accounts will be paid as soon as administratively feasible and practicable after the participants terminate employment.

RS MEDICAL 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2011 AND 2010

2. Summary of significant accounting policies

Basis of accounting

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

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measure attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statement of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. At December 31, 2011, contract value approximated fair value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

Use of estimates

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

Investment valuation and income recognition

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 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes receivable from participants

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

Payment of benefits

Benefits are recorded when paid.

Operating expenses

Although not required according to the Plan agreement, the Companies pay the Plan's audit fees.

Reclassifications

Certain 2010 balances have been reclassified to conform to the 2011 presentation.

Subsequent events

The Plan has evaluated subsequent events through October 12, 2012, which is the date these financial statements were available to be issued.

RS MEDICAL 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2011 AND 2010

3. Certified Plan assets

The Plan's assets are held by Charles Schwab Bank ("Charles Schwab"), the asset custodian of the Plan as of December 31, 2011 and for the period November 1, 2011 to December 31, 2011 and MassMutual Life Insurance Company ("MassMutual"), the asset custodian as of and for the year ended December 31, 2010 and for the period January 1, 2011 to October 31, 2011. The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified as complete and accurate by the asset custodians:

	December 31, 2011		December 31, 2010	
	Number of shares/units	Fair value	Number of shares/units	Fair value
Noninterest-bearing cash	N/A	\$ 16,398		
Registered investment companies				
Saturna Capital Amana Growth Fund	69,364	1,681,393		
Saturna Capital Amana Income Fund	2,355	74,785		
BlackRock Health Sciences	15,704	447,257		
BlackRock Latin America	119	6,798		
Brown Capital Mgmt Small Co Instl	1,442	63,137		
FBR Mutual Large Cap Financial Investor	130,197	1,492,061		
First Eagle Gold	1,076	31,150		
Guggenheim Investments Mid Cap Value A	960	28,279		
Heartland Value Plus	1,493	41,389		
Invesco Energy Fund Cl A	35,740	1,357,396		
Meridian Growth	2,022	84,162		
Franklin Templeton Mutual European Fd Cl A	606	11,265		
Nuveen Real Estate Securities Fund I	66,450	1,260,551		
Oakmark Equity and Income I	207,390	5,609,907		
Oppenheimer Developing Markets A	2,118	62,109		
Permanent Portfolio	3,968	182,879		
PIMCO Total Return Fund	57,785	628,132		
T. Rowe Price Global Technology	163,632	1,464,508		
Franklin Templeton Global Bond Advisor Class	40,903	505,971		
Vanguard GNMA	7,433	82,288		
MassMutual Holding Account			1	\$ 1
Allianz NFJ Small Cap Value Fund			938	26,764
American Funds Growth Fund of America			60,963	1,827,674
Oppenheimer Small & Mid Cap Value Fund			17,777	569,580
Oppenheimer Real Estate Fund			14,066	263,730
Oppenheimer Global Opportunities Fund			32,336	961,337
Pioneer Cullen Value Fund			46,323	843,086
Select Indexed Equity Fund (Northern Trust)			103,803	1,195,811
Select Large Cap Value Fund (Davis)			121,914	1,284,976
Oakmark Equity & Income Fund			50,567	1,402,722
Thornburg International Value Fund			57,644	1,648,604
T. Rowe Price New Horizons Fund			18,476	618,754

(Continued)

RS MEDICAL 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2011 AND 2010

3. Certified Plan assets (continued)

	December 31, 2011		December 31, 2010	
	Number of shares/units	Fair value	Number of shares/units	Fair value
Select Mid Cap Growth Equity II Fund (TRP)			36,953	552,815
PIMCO Total Return Fund			170,243	1,847,134
Wells Fargo Advantage Mid Cap Disciplined Fund			27,675	582,009
Fidelity Advisor Leveraged Company Stock Fund			14,570	492,747
Premier High Yield Fund (Babson)			78,901	682,491
MassMutual Destination Retirement 2010 Fund			4,111	41,191
MassMutual Destination Retirement 2020 Fund			13,963	135,439
MassMutual Destination Retirement 2030 Fund			5,538	53,832
MassMutual Destination Retirement 2040 Fund			18,435	179,743
MassMutual Destination Retirement 2050 Fund			2,657	22,984
MassMutual Destination Retirement Inc Fund			2,857	27,965
Common/collective trusts				
Charles Schwab Stable Value Fund	35,333	691,296		
Guaranteed interest contract				
SAGIC Core Bond			58,978	756,917
Notes receivable from participants			N/A	295,232
		\$ 15,823,111		\$ 16,313,538

During 2011 and 2010, the Plan's certified assets (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value by approximately (\$361,000) and \$1,609,000, respectively, and received interest and dividends of approximately \$467,000 and \$353,000, respectively.

4. Fair value measurements

Fair value measurements include a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1:** Quoted prices in active markets for identical securities;
- Level 2:** Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.);
- Level 3:** Significant unobservable inputs (including the Plan's own assumptions in determining the fair value of investments).

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.

RS MEDICAL 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2011 AND 2010

4. Fair value measurements (continued)

The following tables set forth, by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and 2010:

	Assets at fair value as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Noninterest-bearing cash	\$ 16,398			\$ 16,398
Registered investment companies				
Growth Funds	3,833,716			3,833,716
Blended Funds	8,499,819			8,499,819
Value Funds	1,647,779			1,647,779
Bond Funds	1,134,103			1,134,103
Total value of registered investment companies	15,115,417			15,115,417
Common/collective trusts				
Stable Value Fund		\$ 691,296		691,296
	\$ 15,131,815	\$ 691,296	\$ -0-	\$ 15,823,111

	Assets at fair value as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Registered investment companies				
Balanced Funds	\$ 1,402,722			\$ 1,402,722
Bond Funds	2,529,625			2,529,625
International Equity Funds	2,609,941			2,609,941
Large U.S. Equity Funds	5,151,547			5,151,547
Small/Mid U.S. Equity Funds	2,842,669			2,842,669
Target Date Funds	461,154			461,154
Real Estate Investment Trust	263,730			263,730
Other	1			1
	15,261,389			15,261,389
Guaranteed interest contract				
Stable Value Fund			\$ 756,917	756,917
	\$ 15,261,389	\$ -0-	\$ 756,917	\$ 16,018,306

Value of interest in registered investment companies and common/collective trusts is valued at the net asset value of shares held by the Plan at year end. Guaranteed interest contract is valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. There have been no changes in the methodologies used at December 31, 2011 and 2010.

The valuation 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.

RS MEDICAL 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2011 AND 2010

4. Fair value measurements (continued)

The following table summarizes the changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2011 and 2010:

Fair Value Measurements Using Significant Unobservable Inputs			
	Value of interest in insurance company general account		Total Level 3 fair value measurements
Fair value at January 1, 2010	\$	629,603	\$ 629,603
Unrealized gains (losses) relating to instruments still held at the reporting date		17,902	17,902
Investment income		29,655	29,655
Purchases		128,603	128,603
Sales	(	48,846)	(48,846)
Fair value at December 31, 2010		756,917	756,917
Realized gains (losses)		17,693	17,693
Investment income		27,794	27,794
Purchases		28,321	28,321
Sales	(	830,725)	(830,725)
Fair value at December 31, 2011	\$	-0-	\$ -0-

Gains and losses (realized and unrealized) included in changes in net assets for the years ended December 31, 2011 and 2010 are reported in net appreciation in fair value of investments in the statement of changes in net assets available for benefits.

5. Investment contract with insurance company

In 2007, the Plan entered into a benefit-responsive guaranteed interest contract with MassMutual. MassMutual maintained the contributions in a general account until October 31, 2011. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed interest contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

RS MEDICAL 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2011 AND 2010

5. Investment contract with insurance company (continued)

Because the guaranteed interest contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed interest contract. The guaranteed interest contract is presented on the face of the statement of net assets available for benefits at fair value with an adjustment to contract value in arriving at net assets available for benefits. Contract value as reported to the Plan by MassMutual, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the investment contract at December 31, 2011 and 2010 was \$-0- and \$756,917, respectively. The crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than -0-%. Such interest rates are reviewed on a quarterly basis for resetting.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (1) amendments to the Plan documents (including complete or partial plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan administrator and Plan sponsor terminated the contract effective October 31, 2011 and the account balance was distributed at fair value.

	2011	2010
Average yields (approximate)		
Based on actual earnings	4.0%	4.0%
Based on interest rate credited to participants	4.0%	4.0%

6. Party-in-interest transactions

Certain Plan investments are shares of registered investment companies, common/collective trusts and guaranteed interest contracts managed by Charles Schwab and MassMutual and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan to MassMutual for the investment management services amounted to approximately \$11,000 and \$8,500 for the years ended December 31, 2011 and 2010. The Plan also paid recordkeeping and investment advisory fees of approximately \$13,000 and \$14,000 for the year ended December 31, 2011 and \$-0- for the year ended December 31, 2010.

7. Plan termination

Although it has not expressed any intent to do so, the Plan Sponsor has the right to discontinue its contributions at any time and terminate the Plan subject to the provisions of ERISA. In the event of plan termination, the participants would become 100% vested in their employer contributions.

RS MEDICAL 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2011 AND 2010

8. Tax status

The Internal Revenue Service has determined and informed the Company by a letter dated May 11, 2009 that the Plan and related trust are designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

9. Risks and uncertainties

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

10. Reconciliation of financial statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2011 and 2010 to Form 5500:

	2011	2010
Net assets available for benefits per the financial statements	\$ 16,170,070	\$ 16,320,745
Benefit claims payable	(3,350)	
Adjust to fair value from contract value for fully benefit-responsive investment contracts		47,926
Corrective distributions		6,874
Net assets available for benefits per Form 5500	\$ 16,166,720	\$ 16,375,545

RS MEDICAL 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2011 AND 2010

10. Reconciliation of financial statements to Form 5500 (continued)

The following is a reconciliation of additions to net assets per the financial statements for the years ended December 31, 2011 and 2010 to total income per Form 5500:

	2011	2010
Additions to net assets per the financial statements	\$ 2,358,697	\$ 3,772,972
Corrective distributions		6,874
Adjust prior year accrued corrective distributions to amount paid		2,116
Adjust to fair value from contract value for fully benefit-responsive investment contracts		47,926
Other income	(47,926)	
Total income per Form 5500	\$ 2,310,771	\$ 3,829,888

The following is a reconciliation of total deductions per the financial statements for the years ended December 31, 2011 and 2010 to total expenses per Form 5500:

	2011	2010
Total deductions per the financial statements	\$ 2,509,372	\$ 902,969
Corrective distributions recorded as an offset to participant contributions on prior year financial statements	6,874	53,336
Benefits paid directly to participants	3,350	
Total expenses per Form 5500	\$ 2,519,596	\$ 956,305

SUPPLEMENTAL SCHEDULE

RS MEDICAL 401(K) PLAN

SCHEDULE H, PART IV, ITEM i -

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2011

EIN: 91-1490213

PLAN #001

(a)	(b) Identity of issuer, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost**	(e) Current value
*	Charles Schwab	Noninterest-bearing cash; N/A	**	\$ 16,398
	Saturna Capital	Amana Growth Fund; 69,364 shares	**	1,681,393
	Saturna Capital	Amana Income Fund; 2,355 shares	**	74,785
	BlackRock Funds	Health Sciences; 15,704 shares	**	447,257
	BlackRock Funds	Latin America; 119 shares	**	6,798
	Brown Capital Mgmt	Small Co Instl; 1,442 shares	**	63,137
	FBR Mutual Funds	Large Cap Financial Investor; 130,197 shares	**	1,492,061
	First Eagle Funds	Gold; 1,076 shares	**	31,150
	Guggenheim Investments	Mid Cap Value A; 960 shares	**	28,279
	Heartland Funds	Value Plus; 1,493 shares	**	41,389
	Invesco Funds	Energy Fund CI A; 35,740 shares	**	1,357,396
	Meridian Funds	Growth; 2,022 shares	**	84,162
	Franklin Templeton Funds	Mutual European Fd CI A; 606 shares	**	11,265
	Nuveen Funds	Real Estate Securities Fund I; 66,450 shares	**	1,260,551
	Oakmark Funds	Equity and Income I; 207,390 shares	**	5,609,907
	Oppenheimer Funds	Developing Markets A; 2,118 shares	**	62,109
	Permanent Portfolio	Portfolio; 3,968 shares	**	182,879
	PIMCO Funds	Total Return Fund; 57,785 shares	**	628,132
	T. Rowe Price Funds	Global Technology; 163,632 shares	**	1,464,508
	Franklin Templeton Funds	Global Bond Advisor Class; 40,903 shares	**	505,971
	Vanguard	GNMA; 7,433 shares	**	82,288
*	Charles Schwab	Stable Value Fund; 35,333 shares	**	691,296
*	Participant loans	Interest rates ranging from 5.25% to 10.25% with maturity dates through 2016	** -0-	276,449
				<u>\$ 16,099,560</u>

*Party-in-interest

**Cost information has been omitted as all investments are participant directed.

Explanation of Reasonable Cause for Late Filing

This filing was prepared via a third party software system: Sungard Relius Government Forms / Web Client.

The Plan Sponsor and Plan Administrator attempted to electronically sign the 5500 via the third party software system on 10/15/2012. However, due to unscheduled emergency maintenance the third party software system was unavailable / offline. As soon as the system came back online on 10/16/2012 the Plan Sponsor and Plan Administrator successfully signed and transmitted the return.

We respectfully request that you consider this return timely filed due to the above issue.

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name RS Medical 401(k) Plan

EIN: 91-1490213

Plan Sponsor's Name RS Medical

PN: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	AMANA INCOME FUND	MUTUAL FUNDS	73,075	74,785
	AMANA TRUST GROWTH FUND	MUTUAL FUNDS	1,649,011	1,681,393
	BLACKROCK HEALTH SCIENCE OPPTY A	MUTUAL FUNDS	447,882	447,257
	BLACKROCK LATIN AMERICA CLASS A	MUTUAL FUNDS	7,158	6,798
	BROWN CAP MGMT SMALL CO FD INV CL	MUTUAL FUNDS	63,720	63,137
	FBR LARGE CAP FINANCIAL FUND INV	MUTUAL FUNDS	1,476,708	1,492,061
	FIRST EAGLE GOLD FUND CL A	MUTUAL FUNDS	36,131	31,150

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name RS Medical 401(k) Plan

EIN: 91-1490213

Plan Sponsor's Name International Rehabilitative Scienc

PN: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	HEARTLAND VALUE PLUS FUND	MUTUAL FUNDS	40,263	41,389
	INVESCO ENERGY FD CL A	MUTUAL FUNDS	1,348,189	1,357,396
	MERIDIAN GROWTH FUND	MUTUAL FUNDS	87,493	84,162
	MUTUAL EUROPEAN FUND CL A	MUTUAL FUNDS	11,139	11,265
	NUVEEN REAL ESTATE SECURITIES FUND	MUTUAL FUNDS	1,222,890	1,260,551
	OAKMARK EQUITY INCOME FD I	MUTUAL FUNDS	5,622,314	5,609,907
	OPPENHEIMER DEVELOPING MKTS CL A	MUTUAL FUNDS	66,596	62,109

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name RS Medical 401(k) Plan

EIN: 91-1490213

Plan Sponsor's Name International Rehabilitative Scienc

PN: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	PERMANENT PORTFOLIO	MUTUAL FUNDS	190,266	182,879
	PIMCO TOTAL RETURN FUND INSTL CLAS	MUTUAL FUNDS	632,536	628,132
	RYDEX SGI MID CAP VALUE A	MUTUAL FUNDS	28,474	28,279
	T. ROWE PRICE GLOBAL TECHNOLOGY	MUTUAL FUNDS	1,511,274	1,464,508
	TEMPLETON GLOBAL BOND FD ADVISOR C	MUTUAL FUNDS	532,172	505,971
	VANGUARD GNMA FUND INVESTOR SHS	MUTUAL FUNDS	83,018	82,288
	SCHWAB STABLE VALUE FUND ADVISOR C	COLLECTIVE INVESTMENT TRUSTS	676,192	691,296