# 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

**2012**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

**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
VALLEY RETINA INSTITUTE PA 401(K) PLAN AND TRUST

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 01/01/2010

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

VALLEY RETINA INSTITUTE PA

6701 N 25TH ST
MCALLEN, TX 78504-4255

6701 N 25TH ST
MCALLEN, TX 78504-4255

**2b** Employer Identification Number (EIN)
74-2768498

**2c** Sponsor's telephone number
956-631-8875

**2d** Business code (see instructions)
621111

**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. | 10/14/2013 | SANDRA GONZALES |
| | **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 |

Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)

Preparer's telephone number (optional)

**3a** Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address

VALLEY RETINA INSTITUTE PA

6701 N 25TH ST
MCALLEN, TX 78504-4255

**3b** Administrator's EIN
74-2768498

**3c** Administrator's telephone number
956-631-8875

**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** | 126 |
| **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** | 130 |
| **b** | Retired or separated participants receiving benefits | **6b** | 2 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 11 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 143 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 143 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 62 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 0 |
| **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 Characteristics Codes in the instructions:
2E 2G 2J 2T 3D 3H

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

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

| | | |
|---|---|---|
| **(1)** | ☐ | Insurance |
| **(2)** | ☐ | Code section 412(e)(3) insurance contracts |
| **(3)** | ☒ | Trust |
| **(4)** | ☐ | General assets of the sponsor |

**9b** Plan benefit arrangement (check all that apply)

| | | |
|---|---|---|
| **(1)** | ☐ | Insurance |
| **(2)** | ☐ | Code section 412(e)(3) insurance contracts |
| **(3)** | ☒ | Trust |
| **(4)** | ☐ | General assets of the sponsor |

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

**a Pension Schedules**

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

**b General Schedules**

| | | | |
|---|---|---|---|
| **(1)** | ☒ | | **H** (Financial Information) |
| **(2)** | ☐ | | **I** (Financial Information – Small Plan) |
| **(3)** | ☐ | 0 | **A** (Insurance Information) |
| **(4)** | ☐ | | **C** (Service Provider Information) |
| **(5)** | ☐ | | **D** (DFE/Participating Plan Information) |
| **(6)** | ☐ | | **G** (Financial Transaction Schedules) |

# 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

**2012**

**This Form is Open to Public Inspection**

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

**A** Name of plan
VALLEY RETINA INSTITUTE PA 401(K) PLAN AND TRUST

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
VALLEY RETINA INSTITUTE PA

**D** Employer Identification Number (EIN)
74-2768498

## Part I Asset and Liability Statement

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | | |
| **(2)** Participant contributions | 1b(2) | 2514 | 3125 |
| **(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) | | |
| **(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) | 131729 | 234901 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | | |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 134243 | 238026 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 134243 | 238026 |

## 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) | | |
| | **(B)** Participants | 2a(1)(B) | 92645 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 92645 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 19815 | |
| | **(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) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 19815 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 0 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| | **(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 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (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) | | |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 112460 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 8677 | |
| (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) | | 8677 |
| f Corrective distributions (see instructions) | 2f | | |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 0 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 8677 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 103783 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

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

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

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

(1) Name: MCCANNON ROGERS DRISCOLL & ASSOCIAT (2) EIN: 56-1056216

**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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 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 | |

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| 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 | |
| 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 | | | |

**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) |
|---|---|---|
| | | |
| | | |
| | | |

## Part V Trust Information (optional)

| **6a** Name of trust | **6b** Trust's EIN |
|---|---|
| | |

# 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

**2012**

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

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

**A** Name of plan
VALLEY RETINA INSTITUTE PA 401(K) PLAN AND TRUST

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
VALLEY RETINA INSTITUTE PA

**D** Employer Identification Number (EIN)
74-2768498

## 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): 31-4156830

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

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

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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 lines (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 line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

VALLEY RETINA INSTITUTE PA
401(K) PLAN AND TRUST

FINANCIAL REPORT

December 31, 2012

CONTENTS


| | Page |
|---|---|
| INDEPENDENT AUDITOR'S REPORT | 1-2 |
| FINANCIAL STATEMENTS | |
| Statements of net assets available for benefits | 3 |
| Statement of changes in net assets available for benefits | 4 |
| Notes to financial statements | 5-10 |
| SUPPLEMENTAL SCHEDULE | |
| Schedule of assets held at end of year | 11 |

McCANNON • ROGERS • DRISCOLL
& ASSOCIATES, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS:
DAVID R. ROGERS, CPA
STEPHEN B. DRISCOLL, CPA
RANDY G. BOYD, CPA

ASSOCIATES:
ALICE AUTEN, CPA
DOUGLAS HOBBS, CPA

# INDEPENDENT AUDITOR'S REPORT

To the Trustees and Participants
Valley Retina Institute PA 401(k) Plan and Trust
McAllen, Texas

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of Valley Retina Institute PA 401(k) Plan and Trust (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Basis for Disclaimer of Opinion**

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 G, which was certified by Nationwide Financial Services, Inc., the 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 trustee as of December 31, 2012 and 2011 and for the year ended December 31, 2012, that the information provided to the plan administrator by the trustee is complete and accurate.



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**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

**Other Matter**

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule H, line 4i – Schedule of Assets Held at End of Year, which is the responsibility of plan management, 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. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedule referred to above.

**Report on Form and Content in Compliance With DOL Rules and Regulations**

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

McCannon, Rogers, Driscoll & Associates, L.L.P.

Gastonia, North Carolina

October 8, 2013

VALLEY RETINA INSTITUTE PA
401(K) PLAN AND TRUST

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2012 and 2011

| | 2012 | 2011 |
|---|---|---|
| ASSETS | | |
| Investments, at fair value | $ 234,901 | $ 131,729 |
| Receivables - employee contribution | 3,125 | 2,514 |
| Net assets available for benefits | $ 238,026 | $ 134,243 |

See notes to financial statements.

VALLEY RETINA INSTITUTE PA
401(K) PLAN AND TRUST

STATEMENTS OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS
Year Ended December 31, 2012

| | |
|---|---|
| Additions | |
| Net appreciation in fair value of investments | $ 19,815 |
| Contributions | |
| Employee | 92,645 |
| Total additions | 112,460 |
| Deductions | |
| Benefits paid to participants | 8,677 |
| Net increase | 103,783 |
| Net assets available for benefit | |
| Beginning of year | 134,243 |
| End of year | $ 238,026 |

See notes to financial statements.

VALLEY RETINA INSTITUTE PA
401(K) PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS
December 31, 2012

Note A - Plan Description

The following description of the Valley Retina Institute PA 401(k) Plan and Trust (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 sponsored by seven affiliated companies for the benefit of their employees. All eligible employees of Valley Retina Institute PA, Ophthalmic Consultants of Texas PA, The Center for Laser Vision Corrections LP, Precision View Management LLC, Accent Diabetic Health Products LLC and RGV Optical Images LLC (the "Company") may participate in the Plan. The Plan is a defined contribution plan, covering all full time employees of the Company who have one year of service and are age twenty-one or older.

Contributions

Each year, participants may make elective deferrals up to the maximum percentage allowed by Internal Revenue Code (IRC) regulations. The Company did not make a discretionary contribution to the Plan in 2012.

Participant Accounts

Each participant's account is credited with the participant's contributions, the Company's discretionary contributions and Plan earnings and losses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's respective vested account balance.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the remainder of their accounts is based on years of continuous service. A participant is 100% vested after six years of service.

Payment of Benefits

On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in their account or installments as determined by the Plan. For termination of service for other reasons, participants may receive the value of the vested interest as a lump-sum distribution.

Note B - Summary of Significant Accounting Policies

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in accordance 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. The Plan's investment committee determines the Plan's valuation policies utilizing information provided by the investment advisors, custodians, and insurance company. See Note F 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 includes the plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

Operating Expenses

All expenses of maintaining the Plan are paid by the Companies.

Subsequent Events

The Plan has evaluated subsequent events through October 8, 2013, the date the financial statements were available to be issued.

Note C - 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 amounts reported in the statements of net assets available for benefits.

Note D - Plan Termination

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

Note E - Investments

The following presents investments that represent 5% or more of the Plan's net assets at December 31, 2012 and 2011 consist of the following:

| | | 2012 | 2011 |
|---|---|---|---|
| * | Nationwide Destination 2020 | $ 13,746 | $ 9,231 |
| * | Nationwide Destination 2025 | 89,991 | 43,580 |
| * | Nationwide Destination 2030 | 27,620 | 11,189 |
| * | Nationwide Destination 2035 | 29,831 | 21,130 |
| * | Nationwide Destination 2040 | 12,010 | 9,050 |
| | Openheimer Developing Markets | ** | 7,984 |
| | Prudential Jennison 20/20 Focus | 10,200 | 6,561 |
| | Blackrock Equity Dividend | 13,368 | ** |

During 2012 the Plan's investments in mutual funds (including gains and losses on investments bought and sold, as well as held during the year) appreciated by $19,815.

* Party-in-Interest to the Plan.
** Represents less than 5% of the Plan's net assets available for benefits.

Note F - Fair Value Measurement

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy 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 include:

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

Note F - Fair Value Measurement – Continued

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

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

The asset 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value. There has been no change in the methodologies used at December 31, 2012 and 2011.

*Mutual Funds:* Valued at quoted market prices.

*Money Market Funds:* Valued using $1 for the Net Asset Value (NAV).

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.

The following table sets forth by level, within the fair value hierarchy, the plan's fair value measurements at December 31, 2012 and 2011.

| | Assets at Fair Value as of December 31, 2012 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual Funds: | | | | |
| Bond | $ 2,149 | $ - | $ - | $ 2,149 |
| Foreign Large Blend | 1,803 | - | - | 1,803 |
| High Yield Bond | 2,446 | - | - | 2,446 |
| Intermediate Government | 30 | - | - | 30 |
| International Equity | 44 | - | - | 44 |
| Large Blend | 1,583 | - | - | 1,583 |
| Large Growth | 89 | - | - | 89 |
| Large Value | 273 | - | - | 273 |
| Large/Mid Blend Equity | 252 | - | - | 252 |
| Large/Mid Growth Equity | 10,260 | - | - | 10,260 |
| Large/Mid Value Equity | 14,591 | - | - | 14,591 |
| Money Market | 83 | - | - | 83 |
| Short Term Bond | 29 | - | - | 29 |
| Small Company Equity | 3,689 | - | - | 3,689 |
| Small Value | 1,600 | - | - | 1,600 |
| Specialty | 9,405 | - | - | 9,405 |
| Target Growth | 182,249 | - | - | 182,249 |
| World Bond | 4,313 | - | - | 4,313 |
| World Stock | 13 | - | - | 13 |
| | $ 234,901 | $ - | $ - | $ 234,901 |

Note F - Fair Value Measurement – Continued

| | Assets at Fair Value as of December 31, 2011 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual Funds: | | | | |
| Bond | $ 2,071 | $ - | $ - | $ 2,071 |
| Foreign Large Blend | 1,026 | - | - | 1,026 |
| High Yield Bond | 2,363 | - | - | 2,363 |
| International Equity | 122 | - | - | 122 |
| Large Blend | 2,109 | - | - | 2,109 |
| Large/Mid Blend Equity | 483 | - | - | 483 |
| Large/Mid Growth Equity | 6,561 | - | - | 6,561 |
| Large/Mid Value Equity | 688 | - | - | 688 |
| Money Market | 153 | - | - | 153 |
| Small Company Equity | 3,301 | - | - | 3,301 |
| Small Value | 965 | - | - | 965 |
| Specialty | 7,984 | - | - | 7,984 |
| Target Growth | 101,055 | - | - | 101,055 |
| World Bond | 2,741 | - | - | 2,741 |
| World Stock | 108 | - | - | 107 |
| | $ 131,730 | $ - | $ - | $ 131,729 |

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation in fair value of investments in the Statements of Changes in Net Assets Available for Benefits.

Note G - Unaudited Information Prepared and Certified by Plan Trustee

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the trustee, Nationwide Financial Services, Inc., has certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate.

| | 2012 | 2011 |
|---|---|---|
| Investments | $ 234,901 | $ 131,729 |
| Net appreciation in fair value if investments | $ 19,815 | |

Note H - Party-In-Interest Transactions

Certain Plan investments are shares of mutual funds managed by Nationwide Financial Services, Inc. Purchases and sales of investment units of these mutual funds qualify as party-in-interest transactions as defined by ERISA.

Note I - Income Tax Status

The Company has received a favorable determination letter from the Internal Revenue Service stating that the plan is a qualified plan. The Plan has been amended since receiving the determination letter. The Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

Generally accepted accounting principles 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 is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan only has tax years ending on or after December 31, 2010, the first year of the Plan, subject to tax examinations.

VALLEY RETINA INSTITUTE PA
401(k) RETIREMENT PLAN AND TRUST
EIN: 74-2768498 Plan#001

SCHEDULE H, Line 4i – SCHEDULE OF ASSETS HELD AT END OF YEAR
December 31, 2012

| (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 |
|---|---|---|---|---|
| | **MUTUAL FUNDS** | | | |
| | American Funds Capital World Growth & Income | 7 units | | $ 13 |
| | American Funds Europacific Growth | 19 units | | 44 |
| | Blackrock Equity Dividend | 9,108 units | | 13,368 |
| | Eaton Vance Dividend Builder | 928 units | | 1,150 |
| | Fidelity Advisor Leveraged Common Sstock | 151 units | | 252 |
| | Heartland Value Plus | 240 units | | 419 |
| | Ivy Global Bond | 3,578 units | | 4,313 |
| | Ivy High Income | 1,050 units | | 2,446 |
| | Ivy International Core Equity | 1,020 units | | 1,803 |
| | Ivy Limited Term Bond | 23 units | | 29 |
| | JP Morgan Core Bond A | 38 units | | 68 |
| | JP Morgan Large Cap Core Pls A | 45 units | | 68 |
| | JP Morgan Small Cap Entity | 530 units | | 1,181 |
| | MainStay Large Cap Growth R2 | 49 units | | 89 |
| | MFS Value A | 130 units | | 205 |
| * | Nationwide Destination 2010 | 59 units | | 56 |
| * | Nationwide Destination 2015 | 1,306 units | | 1,280 |
| * | Nationwide Destination 2020 | 13,981 units | | 13,746 |
| * | Nationwide Destination 2025 | 91,621 units | | 89,991 |
| * | Nationwide Destination 2030 | 28,871 units | | 27,620 |
| * | Nationwide Destination 2035 | 31,699 units | | 29,831 |
| * | Nationwide Destination 2040 | 13,290 units | | 12,010 |
| * | Nationwide Destination 2045 | 5,185 units | | 4,698 |
| * | Nationwide Destination 2050 | 3,333 units | | 3,017 |
| * | Nationwide MoneyMarket Prime | 81 units | | 83 |
| | Oppenheimer Developing Markets | 1,873 units | | 9,405 |
| | Oppenheimer International Bond | 432 units | | 1,109 |
| | PIMCO Total Return | 146 units | | 270 |
| | Prudential Jennison 20/20 Focus | 6,416 units | | 10,200 |
| | Prudential jennison Mid Cap Growth A | 33 units | | 60 |
| | Prudential Jennison Small Company | 3,099 units | | 3,689 |
| | Prudential Short-Term Corporate Bond | 540 units | | 702 |
| | Ridgeworth Mid-Cap Value Equity | 698 units | | 1,223 |
| | Sentinel Common Stock | 413 units | | 433 |
| | Sentinel Govt Sec A | 22 units | | 30 |
| | | | | $ 234,901 |

* Party-in-interest to the Plan

** Information not required for participant directed accounts

VALLEY RETINA INSTITUTE PA
401(K) PLAN AND TRUST

FINANCIAL REPORT

December 31, 2012

CONTENTS


| | Page |
|---|---|
| INDEPENDENT AUDITOR'S REPORT | 1-2 |
| FINANCIAL STATEMENTS | |
| Statements of net assets available for benefits | 3 |
| Statement of changes in net assets available for benefits | 4 |
| Notes to financial statements | 5-10 |
| SUPPLEMENTAL SCHEDULE | |
| Schedule of assets held at end of year | 11 |

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& ASSOCIATES, L.L.P.
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ASSOCIATES:
ALICE AUTEN, CPA
DOUGLAS HOBBS, CPA

# INDEPENDENT AUDITOR'S REPORT

To the Trustees and Participants
Valley Retina Institute PA 401(k) Plan and Trust
McAllen, Texas

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of Valley Retina Institute PA 401(k) Plan and Trust (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Basis for Disclaimer of Opinion**

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 G, which was certified by Nationwide Financial Services, Inc., the 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 trustee as of December 31, 2012 and 2011 and for the year ended December 31, 2012, that the information provided to the plan administrator by the trustee is complete and accurate.



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**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

**Other Matter**

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule H, line 4i – Schedule of Assets Held at End of Year, which is the responsibility of plan management, 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. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedule referred to above.

**Report on Form and Content in Compliance With DOL Rules and Regulations**

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

McCannon, Rogers, Driscoll & Associates, L.L.P.

Gastonia, North Carolina

October 8, 2013

VALLEY RETINA INSTITUTE PA
401(K) PLAN AND TRUST

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2012 and 2011

| | 2012 | 2011 |
|---|---|---|
| ASSETS | | |
| Investments, at fair value | $ 234,901 | $ 131,729 |
| Receivables - employee contribution | 3,125 | 2,514 |
| Net assets available for benefits | $ 238,026 | $ 134,243 |

See notes to financial statements.

VALLEY RETINA INSTITUTE PA
401(K) PLAN AND TRUST

STATEMENTS OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS
Year Ended December 31, 2012

| | |
|---|---|
| Additions | |
| Net appreciation in fair value of investments | $ 19,815 |
| Contributions | |
| Employee | 92,645 |
| Total additions | 112,460 |
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| Benefits paid to participants | 8,677 |
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See notes to financial statements.

VALLEY RETINA INSTITUTE PA
401(K) PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS
December 31, 2012

Note A - Plan Description

The following description of the Valley Retina Institute PA 401(k) Plan and Trust (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 sponsored by seven affiliated companies for the benefit of their employees. All eligible employees of Valley Retina Institute PA, Ophthalmic Consultants of Texas PA, The Center for Laser Vision Corrections LP, Precision View Management LLC, Accent Diabetic Health Products LLC and RGV Optical Images LLC (the "Company") may participate in the Plan. The Plan is a defined contribution plan, covering all full time employees of the Company who have one year of service and are age twenty-one or older.

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Each year, participants may make elective deferrals up to the maximum percentage allowed by Internal Revenue Code (IRC) regulations. The Company did not make a discretionary contribution to the Plan in 2012.

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Note B - Summary of Significant Accounting Policies

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in accordance 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. The Plan's investment committee determines the Plan's valuation policies utilizing information provided by the investment advisors, custodians, and insurance company. See Note F for discussion of fair value measurements.

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Payment of Benefits

Benefits are recorded when paid.

Operating Expenses

All expenses of maintaining the Plan are paid by the Companies.

Subsequent Events

The Plan has evaluated subsequent events through October 8, 2013, the date the financial statements were available to be issued.

Note C - 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 amounts reported in the statements of net assets available for benefits.

Note D - Plan Termination

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

Note E - Investments

The following presents investments that represent 5% or more of the Plan's net assets at December 31, 2012 and 2011 consist of the following:

| | | 2012 | 2011 |
|---|---|---|---|
| * | Nationwide Destination 2020 | $ 13,746 | $ 9,231 |
| * | Nationwide Destination 2025 | 89,991 | 43,580 |
| * | Nationwide Destination 2030 | 27,620 | 11,189 |
| * | Nationwide Destination 2035 | 29,831 | 21,130 |
| * | Nationwide Destination 2040 | 12,010 | 9,050 |
| | Openheimer Developing Markets | ** | 7,984 |
| | Prudential Jennison 20/20 Focus | 10,200 | 6,561 |
| | Blackrock Equity Dividend | 13,368 | ** |

During 2012 the Plan's investments in mutual funds (including gains and losses on investments bought and sold, as well as held during the year) appreciated by $19,815.

* Party-in-Interest to the Plan.
** Represents less than 5% of the Plan's net assets available for benefits.

Note F - Fair Value Measurement

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy 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 include:

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

Note F - Fair Value Measurement – Continued

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

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

The asset 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value. There has been no change in the methodologies used at December 31, 2012 and 2011.

*Mutual Funds:* Valued at quoted market prices.

*Money Market Funds:* Valued using $1 for the Net Asset Value (NAV).

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.

The following table sets forth by level, within the fair value hierarchy, the plan's fair value measurements at December 31, 2012 and 2011.

| | Assets at Fair Value as of December 31, 2012 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual Funds: | | | | |
| Bond | $ 2,149 | $ - | $ - | $ 2,149 |
| Foreign Large Blend | 1,803 | - | - | 1,803 |
| High Yield Bond | 2,446 | - | - | 2,446 |
| Intermediate Government | 30 | - | - | 30 |
| International Equity | 44 | - | - | 44 |
| Large Blend | 1,583 | - | - | 1,583 |
| Large Growth | 89 | - | - | 89 |
| Large Value | 273 | - | - | 273 |
| Large/Mid Blend Equity | 252 | - | - | 252 |
| Large/Mid Growth Equity | 10,260 | - | - | 10,260 |
| Large/Mid Value Equity | 14,591 | - | - | 14,591 |
| Money Market | 83 | - | - | 83 |
| Short Term Bond | 29 | - | - | 29 |
| Small Company Equity | 3,689 | - | - | 3,689 |
| Small Value | 1,600 | - | - | 1,600 |
| Specialty | 9,405 | - | - | 9,405 |
| Target Growth | 182,249 | - | - | 182,249 |
| World Bond | 4,313 | - | - | 4,313 |
| World Stock | 13 | - | - | 13 |
| | $ 234,901 | $ - | $ - | $ 234,901 |

Note F - Fair Value Measurement – Continued

| | Assets at Fair Value as of December 31, 2011 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual Funds: | | | | |
| Bond | $ 2,071 | $ - | $ - | $ 2,071 |
| Foreign Large Blend | 1,026 | - | - | 1,026 |
| High Yield Bond | 2,363 | - | - | 2,363 |
| International Equity | 122 | - | - | 122 |
| Large Blend | 2,109 | - | - | 2,109 |
| Large/Mid Blend Equity | 483 | - | - | 483 |
| Large/Mid Growth Equity | 6,561 | - | - | 6,561 |
| Large/Mid Value Equity | 688 | - | - | 688 |
| Money Market | 153 | - | - | 153 |
| Small Company Equity | 3,301 | - | - | 3,301 |
| Small Value | 965 | - | - | 965 |
| Specialty | 7,984 | - | - | 7,984 |
| Target Growth | 101,055 | - | - | 101,055 |
| World Bond | 2,741 | - | - | 2,741 |
| World Stock | 108 | - | - | 107 |
| | $ 131,730 | $ - | $ - | $ 131,729 |

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation in fair value of investments in the Statements of Changes in Net Assets Available for Benefits.

Note G - Unaudited Information Prepared and Certified by Plan Trustee

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the trustee, Nationwide Financial Services, Inc., has certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate.

| | 2012 | 2011 |
|---|---|---|
| Investments | $ 234,901 | $ 131,729 |
| Net appreciation in fair value if investments | $ 19,815 | |

Note H - Party-In-Interest Transactions

Certain Plan investments are shares of mutual funds managed by Nationwide Financial Services, Inc. Purchases and sales of investment units of these mutual funds qualify as party-in-interest transactions as defined by ERISA.

Note I - Income Tax Status

The Company has received a favorable determination letter from the Internal Revenue Service stating that the plan is a qualified plan. The Plan has been amended since receiving the determination letter. The Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

Generally accepted accounting principles 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 is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan only has tax years ending on or after December 31, 2010, the first year of the Plan, subject to tax examinations.

VALLEY RETINA INSTITUTE PA
401(k) RETIREMENT PLAN AND TRUST
EIN: 74-2768498 Plan#001

SCHEDULE H, Line 4i – SCHEDULE OF ASSETS HELD AT END OF YEAR
December 31, 2012

| (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 |
|---|---|---|---|---|
| | **MUTUAL FUNDS** | | | |
| | American Funds Capital World Growth & Income | 7 units | | $ 13 |
| | American Funds Europacific Growth | 19 units | | 44 |
| | Blackrock Equity Dividend | 9,108 units | | 13,368 |
| | Eaton Vance Dividend Builder | 928 units | | 1,150 |
| | Fidelity Advisor Leveraged Common Sstock | 151 units | | 252 |
| | Heartland Value Plus | 240 units | | 419 |
| | Ivy Global Bond | 3,578 units | | 4,313 |
| | Ivy High Income | 1,050 units | | 2,446 |
| | Ivy International Core Equity | 1,020 units | | 1,803 |
| | Ivy Limited Term Bond | 23 units | | 29 |
| | JP Morgan Core Bond A | 38 units | | 68 |
| | JP Morgan Large Cap Core Pls A | 45 units | | 68 |
| | JP Morgan Small Cap Entity | 530 units | | 1,181 |
| | MainStay Large Cap Growth R2 | 49 units | | 89 |
| | MFS Value A | 130 units | | 205 |
| * | Nationwide Destination 2010 | 59 units | | 56 |
| * | Nationwide Destination 2015 | 1,306 units | | 1,280 |
| * | Nationwide Destination 2020 | 13,981 units | | 13,746 |
| * | Nationwide Destination 2025 | 91,621 units | | 89,991 |
| * | Nationwide Destination 2030 | 28,871 units | | 27,620 |
| * | Nationwide Destination 2035 | 31,699 units | | 29,831 |
| * | Nationwide Destination 2040 | 13,290 units | | 12,010 |
| * | Nationwide Destination 2045 | 5,185 units | | 4,698 |
| * | Nationwide Destination 2050 | 3,333 units | | 3,017 |
| * | Nationwide MoneyMarket Prime | 81 units | | 83 |
| | Oppenheimer Developing Markets | 1,873 units | | 9,405 |
| | Oppenheimer International Bond | 432 units | | 1,109 |
| | PIMCO Total Return | 146 units | | 270 |
| | Prudential Jennison 20/20 Focus | 6,416 units | | 10,200 |
| | Prudential jennison Mid Cap Growth A | 33 units | | 60 |
| | Prudential Jennison Small Company | 3,099 units | | 3,689 |
| | Prudential Short-Term Corporate Bond | 540 units | | 702 |
| | Ridgeworth Mid-Cap Value Equity | 698 units | | 1,223 |
| | Sentinel Common Stock | 413 units | | 433 |
| | Sentinel Govt Sec A | 22 units | | 30 |
| | | | | $ 234,901 |

* Party-in-interest to the Plan

** Information not required for participant directed accounts