MCCLURE JAMES P
Form 4
January 13, 2010

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
MCCLURE JAMES P

(Last) (First) (Middle)

551 FIFTH AVENUE, SUITE 300

(Street)

NEW YORK, NY 10176

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
ABM INDUSTRIES INC /DE/ [ABM]

3. Date of Earliest Transaction (Month/Day/Year)
01/11/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Executive Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/11/2010		A		9,192 (1)	A	$ 0	106,009 (2)	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCCLURE JAMES P 551 FIFTH AVENUE SUITE 300 NEW YORK, NY 10176			Executive Vice President	

Signatures

By: Barbara L. Smithers, by power of attorney	01/13/2010
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Represents the number of shares earned in connection with performance shares previously granted, based on the achievement of certain targets in the period ending 10/31/2009, including the shares underlying the DERs relating thereto.

(2) Includes 15,826 RSUs and DERs relating to the RSUs, adjusted to reflect the cumulative effect of fractional shares.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. participation in the various investment funds and portfolios that comprise the Master Trusts as a percentage of the total participation in such funds and portfolios.

The Plan s participating interest in the investment funds of the master trusts is based on account balances of the participants and their elected investment funds. The assets of the master trusts are allocated by assigning to each plan those transactions (primarily contributions, benefit payments, and plan-specific expenses) that can be specifically identified and by allocating, in proportion to the fair value of the assets assigned to each plan, income and expenses resulting from the collective investment of the assets of the master trusts.

Plan Modification

Verizon, acting through the Human Resources Committee of its Board of Directors or through the Verizon Employee Benefits Committee, reserves the right to modify, alter, or amend the Plan at any time, subject to collective bargaining requirements. Verizon, acting through its Board of Directors or the Human Resources Committee of its Board of Directors, reserves the right to terminate the Plan at any time, subject to collective bargaining requirements. In the event the Plan terminates, participants will become 100 percent vested in their accounts.

Risks and Uncertainties

The Plan provides investment options for participants, who can invest in combinations of stocks, bonds, fixed income securities, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, equity price, and credit risks. Due to the level of risk associated with certain investment securities, it is 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 Available for Benefits.

NOTE 2 ACCOUNTING POLICIES

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassification

Certain prior year amounts have been reclassified to conform to current year presentation.

Notes receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2010 or 2009. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

Statement of Changes in Net Assets Available for Benefits

The Statement of Changes in Net Assets Available for Benefits reflects the net investment gain from the Plan s interest in the Master Trusts, which consists of the realized gains or losses and the unrealized appreciation (depreciation) in fair value of those investments, as well as interest and dividends earned.

Investments in Master Trusts

Purchases and sales of investments are reflected as of the trade date. Realized gains and losses on sales of investments are determined on the basis of average cost. Dividend income is recorded on the ex-dividend date. Interest earned on investments is recorded on the accrual basis.

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NOTE 2 ACCOUNTING POLICIES (continued)

Fair Value Measurements

Fair value of financial and non-financial assets and liabilities is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The three-tier hierarchy for inputs used in measuring fair value, which prioritizes the inputs used in the methodologies of measuring fair value for assets and liabilities, is as follows:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than quoted prices in active markets for identical assets and liabilities

Level 3 No observable pricing inputs in the market

Financial assets and financial liabilities are classified in their entirety based on the lowest level of inputs that is significant to the fair value measurements. The Plan sponsor s assessment of the significance of a particular input to the fair value measurements requires judgment, and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

Investment contracts are required to be reported at fair value. However, contract value is the relevant measurement of that portion of net assets attributable to fully benefit-responsive investment contracts, as that is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statements of Net Assets Available for Benefits present net assets at fair value, with an adjustment to contract value for the investment contracts held by the Master Trust. In addition, net assets available for benefits and the changes in net assets available for benefits per the financial statements will be different from those in the Plan s Form 5500 due to the adjustment from fair value to contract value for fully benefit-responsive investment contracts, as reflected in the financial statements (see Note 8).

Recently Adopted Accounting Standards

In January 2010, we adopted the accounting standard update regarding fair value measurements and disclosures, which requires additional disclosures regarding assets and liabilities measured at fair value. The adoption of the new standard did not have a material effect on the Plan s Net Assets Available for Benefits or its Changes in Net Assets Available for Benefits.

In September 2010, the FASB issued Accounting Standards Update 2010-25, Reporting Loans to Participants by Defined Contribution Pension Plans, ASU 2010-25. ASU 2010-25 requires participant loans to be measured at their unpaid principal balance plus any accrued unpaid interest and classified as notes receivable from participants. Previously loans were measured at fair value and classified as investments. ASU 2010-25 is effective for fiscal years ending after December 15, 2010 and is required to be applied retrospectively. Adoption of ASU 2010-25 did not change the value of participant loans from the amount previously reported as of December 31, 2009. Participant loans have been reclassified to notes receivable from participants as of December 31, 2009.

Recent Accounting Standards

In May 2011, a new accounting standard update regarding fair value measurement was issued, ASU 2011-04. This standard update was issued to provide a consistent definition of fair value and ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and International Financial Reporting Standards. This standard update also changes certain fair value measurement principles and enhances the disclosure requirements, particularly for Level 3 fair value measurements. We will adopt this standard update during the first quarter of 2012. The adoption of this standard update is not expected to have a significant impact on the Plan s financial statements.

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NOTE 3 NON-PARTICIPANT DIRECTED INVESTMENTS

Information about the net assets and the significant components of the changes in net assets related to the Plan s non-participant directed investments is as follows (in thousands):

	As of December 31, 2010	2009
Net Assets:		
Verizon common stock	$ 2,703	$ 4,090

Changes in net assets:	Year ended December 31, 2010
Employer contributions	$ 61,928
Net investment gain	65,416
Net transfers out	(13,638)
Benefits paid to participants	(101,965)
Decrease in diversification adjustment (Note 4)	(16,127)
Other	2,999
Net decrease	$ (1,387)

NOTE 4 VESTING AND CONTRIBUTIONS

A participant shall be fully vested in the employer-matching contributions allocated to his or her account and any income thereon, upon completing three years of vesting service or upon death, disability, retirement from Verizon or a Participating Affiliate, attainment of normal retirement age, or permanent or extended (more than twelve months) layoff. Vesting shall also occur if a participant accepts a voluntary income security program or is hired by Portability Company (as defined in the Plan document) within 30 days of termination.

A terminated employee s non-vested employer-matching contributions are forfeited and offset against subsequent employer-matching contributions to the Plan. Forfeitures used to reduce employer matching contributions for the year ending December 31, 2010 totaled $23 thousand. There were no forfeitures used to reduce employer-matching contributions for the year ending December 31, 2009. The balance in the forfeiture account was $1,265 thousand and $502 thousand at December 31, 2010 and 2009, respectively.

The Plan is funded by employee contributions up to a maximum of 16% of compensation and by employer-matching contributions in shares of Verizon common stock in an amount ranging from 60% to 82%, in accordance with the participants collective bargaining agreement, of the initial 6% of the participants contributions of eligible compensation for each payroll period. Employees attaining the age of 50 or older can elect to make additional before-tax catch-up contributions to the Plan.

Participant contributions may be made on a before tax basis (elective contributions) or from currently taxed compensation (after-tax contributions). Each participant s elective contributions for the 2010 Plan year were limited to $16,500. The total amount of elective contributions, after-tax contributions, and employer-matching contributions and certain forfeitures that may be allocated to a Plan participant were limited to the lesser of (1) $49,000 or (2) 100% of the participant s total compensation, and the compensation on which such contributions were based was limited to $245,000. The catch-up contribution limit is $5,500 for participants eligible to make catch-up contributions.

Employer-matching contributions are made in Verizon common stock. The Verizon common stock is held by the Plan in a unitized fund, which means participants do not actually own shares of Verizon common stock but rather own an interest in the unitized fund. For the year ended December 31, 2010, total employer-matching contributions of 2 million shares of Verizon common stock were made with a fair value at the date of contribution of $61.9 million.

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NOTE 4 VESTING AND CONTRIBUTIONS (continued)

In Note 3, the Diversification Adjustment reflects the employer-matching contributions that a participant may elect to transfer into any investment option available under the Plan, subject to the provisions of the Plan document. Participants age 50 and older with one year of service are permitted to redirect up to 50% of these employer-matching contributions (100% after attaining age 55). A participant who has completed at least three years of service may transfer employer-matching contributions made on or after January 1, 2007 to any other investment option or options under the Plan. A participant may transfer Payroll-Based Stock Ownership Plan (PAYSOP) account balances and employer-matching contributions (and related earnings) made before January 1, 2007 to any other investment option under the Plan.

NOTE 5 RELATED-PARTY TRANSACTIONS

VIMCO, an indirect, wholly owned subsidiary of Verizon, is the investment advisor for certain investment funds and therefore qualifies as a party-in-interest. VIMCO received no compensation from the Plan other than reimbursement of certain expenses directly attributable to its investment advisory and investment management services rendered to the Plan. In addition, certain investments held by the Trusts are managed by Bank of New York Mellon as trustee and Fidelity as trustee and record keeper. Therefore these investments qualify as parties-in-interest transactions. The Plan also allows investment in Verizon common stock, which is a party-in-interest transaction. All of these transactions are exempt from the prohibited transaction rules.

NOTE 6 INCOME TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service dated June 27, 2003, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and therefore, the related trusts are exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan has been amended since receiving the determination letter. However, the Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trusts are tax exempt.

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to 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, 2010, there are no uncertain positions taken or expected to be taken. The Plan is subject to routine audits by taxing jurisdictions; however there are 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 2007.

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NOTE 7 INVESTMENTS IN MASTER TRUSTS

Fair values of publicly traded common stock and mutual funds are determined by obtaining quoted prices in active markets. The fair value of government securities, corporate debt obligations and other U.S. and international fixed income securities are valued based on yields currently available on comparable securities or issues with similar credit ratings. Fair value of the commingled funds are based on the net asset values of the shares held as reported by fund managers, which are determined by the fair values of the underlying investments. The fair value of the synthetic guaranteed investment contracts equals the fair value of the underlying assets, primarily consisting of government securities and corporate debt obligations, which are valued based on the yields currently available on comparable securities of issues with similar credit ratings.

A portion of certain funds in the Master Trusts are invested in synthetic wrap investment contracts (wrap contract) held with four insurance companies and banks. In a typical wrap contract, the wrap issuer agrees to pay the fund the difference between the contract value and the fair value of the covered assets once the fair value has been totally exhausted. Though relatively unlikely, this could happen if the fund experiences significant redemptions during a time when the fair value of the fund s covered assets is below their contract value and fair value is ultimately reduced to zero. Standard & Poor s rated the issuers of these contracts and the contracts underlying the securities from AA- to A+ and A- to AAA at December 31, 2010 and 2009, respectively.

Contract value represents contributions made under the contracts, plus accrued interest, less withdrawals and administrative expenses. The contracts are included in the Master Trust assets at contract value, which, as reported by the insurance companies and banks, was approximately $739 million and $805 million, at December 31, 2010 and 2009, respectively.

Certain events limit the ability of the Plan to transact at contract value with the issuer. These events include: (1) substantive modification of the Plan, including complete or partial plan termination or merger with another plan; (2) any change in law, regulation, or administrative ruling that could have a material adverse effect on the fund s cash flow; (3) the Plan s failure to qualify under section 401(k) of the Internal Revenue Code; (4) bankruptcy of the Plan sponsor or other Plan sponsor events which cause a significant withdrawal from the Plan; and (5) defaults in the debt securities that comprise the covered assets in excess of certain limits. The Plan administrator does not believe the occurrence of any such event is probable at this time.

Wrap contracts accrue interest using a formula called the crediting rate. Wrap contracts use the crediting rate formula to convert market value changes in the covered assets into income distributions in order to minimize the difference between fair value and contract value over time. The crediting rate is reset quarterly and has a floor rate of zero.

The contracts had average yields of 2.70% and 3.00% at December 31, 2010 and 2009, respectively. The crediting interest rates for the wrap contracts were 2.80% and 2.60% at December 31, 2010 and 2009, respectively. No valuation reserve was recorded, or was deemed necessary, at December 31, 2010 and 2009 to adjust contract amounts.

The accounting records of the Master Trust are maintained in U.S. dollars. Foreign currency denominated assets and liabilities are translated into U.S. dollars at the prevailing rates of exchange at the end of each accounting period with the impact of fluctuations in foreign exchange rates reflected as an unrealized gain or loss in the fair value of the investments.

Cash receipts and payments derived from investment trades involving foreign currency denominated investments are translated into U.S. dollars at the prevailing exchange rate on the respective transaction date. Net realized gains and losses on foreign currency transactions result from the disposition of foreign currency denominated investments as a result of fluctuations in foreign exchange between the trade and settlement dates and the difference between the amount of net investment income accrued and the U.S. dollar amount actually received.

The foreign exchange effect on foreign currency denominated investments is not segregated from the impact of changes in market prices in the Statement of Changes in Net Assets Available for Benefits.

The Plan s interest in the fair value of the Master Trust and the Bell Atlantic Master Trust and the related investment gains are reported in Investments in Master Trusts and Net investment gain from investments in Master Trusts in the Statements of Net Assets Available for Benefits and in the Statement of Changes in Net Assets Available for Benefits, respectively.

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NOTE 7 INVESTMENTS IN MASTER TRUSTS (continued)

The following table represents the Master Trust s net investments by investment type measured at fair value on a recurring basis by the fair value measurement levels described in Note 2 as of December 31, 2010 and investment income for the year ended December 31, 2010 (in thousands):

	Assets at Fair Value as of December 31, 2010				Net Investment Gain
	Level 1	Level 2	Level 3	Total Fair Value	
Investments					
Cash and cash equivalents	$ 12,521	$ 95,063	$ -	$ 107,584	$ 11,415
Verizon common stock	5,500,127	-	-	5,500,127	632,850
Mutual funds					
U.S. fixed income	655,228	-	-	655,228	31,142
U.S. equity	409,715	-	-	409,715	48,303
U.S. small cap	506,559	-	-	506,559	53,842
International equity	164,677	-	-	164,677	8,475
Global fixed income	187,151	-	-	187,151	751
Commingled funds					
U.S. equity	-	4,286,317	-	4,286,317	538,002
Cash equivalents	-	960,313	-	960,313	30,101
International equity	-	770,962	-	770,962	63,367
U.S. small cap	-	507,660	-	507,660	53,796
U.S. fixed income	-	976,230	-	976,230	22,790
Real estate	-	720,224	-	720,224	122,142
Common stock					
International equity	56,383	-	-	56,383	9,255
U.S. equity	879,372	-	-	879,372	120,020
Fixed income					
Corporate bonds	-	219,488	-	219,488	22,899
U.S. treasuries and agencies	79,431	122,505	-	201,936	20,922
Asset-backed securities	-	28,156	-	28,156	2,939
Stable value fund					
U.S. treasuries and agencies	-	1,308,240	-	1,308,240	44,397
Corporate bonds	-	492,654	-	492,654	16,719
Asset-backed securities	-	204,612	5,739	210,351	7,139
Interest only loans	-	2,174	-	2,174	74
Wrap contracts	-	6,247	-	6,247	-
International bonds	9,092	712,780	20,507	742,379	76,289
Other	-	66,688	-	66,688	7,913

Total investments at fair value	8,460,256	11,480,313	26,246	19,966,815	1,945,542
Adjustment from fair value to contract value for fully benefit responsive investment contracts	-	-	-	(76,123)	-
Total investments	$ 8,460,256	$ 11,480,313	$ 26,246	$ 19,890,692	$ 1,945,542

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NOTE 7 INVESTMENTS IN MASTER TRUSTS (continued)

The following table states the change in fair value of the Master Trust s level 3 assets for the year ended December 31, 2010 (in thousands):

	Fair Value January 1, 2010	Transfer Out	Transfer In	Acquisitions	Dispositions	Realized Gain	Change in Unrealized Gain	Fair Value December 31, 2010
Stable value fund	$ -	$ (2,294)	$ 471	$ 10,498	$ (4,036)	$ 1	$ 1,099	$ 5,739
Fixed income-International bonds	-	(19,289)	19,424	20,330	-	-	42	20,507
	$ -	$ (21,583)	$ 19,895	$ 30,828	$ (4,036)	$ 1	$ 1,141	$ 26,246

The following table represents the Bell Atlantic Master Trust defined contribution net investments by investment type measured at fair value on a recurring basis by the fair value measurement levels described in Note 2 as of December 31, 2010 and investment gain for the year ended December 31, 2010 (in thousands):

	Assets at Fair Value as of December 31, 2010				Net Investment Gain
	Level 1	Level 2	Level 3	Total Fair Value	
Investments					
Cash and cash equivalents	$ 22,529	$ -	$ -	$ 22,529	$ 2,795
Commingled funds					
International equity	-	108,552	-	108,552	12,973
Common stock					
International equity	1,079,937	168	-	1,080,105	133,805
U.S. equity	221,077	-	-	221,077	17,083
Fixed income					
International bonds	-	491	-	491	59
Convertible securities	-	6	-	6	-
Total investments at fair value	$ 1,323,543	$ 109,217	$ -	$ 1,432,760	$ 166,715

Interest and dividend income for the Master Trust and the Bell Atlantic Master Trust was $311 million and $313 million for the years ending December 31, 2010 and 2009, respectively.

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NOTE 7 INVESTMENTS IN MASTER TRUSTS (continued)

The following table represents the Master Trust s net investments by investment type measured at fair value on a recurring basis by the fair value measurement levels described in Note 2 as of December 31, 2009 and investment income for the year ended December 31, 2009 (in thousands):

	Assets at Fair Value as of December 31, 2009				
	Level 1	Level 2	Level 3	Total Fair Value	Net Investment Gain/(Loss)
Investments					
Verizon common stock	$ 5,251,617	$ -	$ -	$ 5,251,617	$ (107,469)
Mutual funds					
U.S. fixed income	850,506	-	-	850,506	38,374
U.S. equity	407,755	-	-	407,755	102,712
U.S. small cap	395,061	-	-	395,061	71,075
International equity	247,734	-	-	247,734	59,744
Commingled funds					
U.S. equity	-	4,206,157	-	4,206,157	1,019,701
Cash equivalents	-	1,257,152	-	1,257,152	14,882
International equity	-	936,827	-	936,827	218,126
U.S. small cap	-	390,951	-	390,951	70,338
U.S. fixed income	-	378,309	-	378,309	19,938
Real estate	-	136,572	-	136,572	15,322
Other	-	71,855	-	71,855	12,413
International fixed income	-	1,112,558	-	1,112,558	160,329
Common stock					
International equity	3,505	2,973	-	6,478	4,303
U.S. equity	372,744	-	-	372,744	98,701
U.S. small cap	197,902	-	-	197,902	35,606
Stable value fund					
U.S. treasuries and agencies	-	1,474,395	-	1,474,395	58,932
Corporate bonds	-	556,893	-	556,893	22,259
Asset-backed securities	-	352,393	-	352,393	14,085
Cash equivalents	-	45,527	-	45,527	1,820
Interest only loans	-	9,398	-	9,398	375
International bonds	-	3,317	-	3,317	133
Other	6,692	67,655	-	74,347	12,843
Total investments at fair value	7,733,516	11,002,932	-	18,736,448	1,944,542

Adjustment from fair value to contract value for fully benefit responsive investment contracts	-	-	-	(41,550)	-
Total investments	$ 7,733,516	$ 11,002,932	$ -	$ 18,694,898	$ 1,944,542

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VERIZON SAVINGS AND SECURITY PLAN FOR

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NOTE 7 INVESTMENTS IN MASTER TRUSTS (continued)

The following table represents the Bell Atlantic Master Trust defined contribution net investments by investment type measured at fair value on a recurring basis by the fair value measurement levels described in Note 2 as of December 31, 2009 and investment income for the year ended December 31, 2009 (in thousands):

	Assets at Fair Value as of December 31, 2009				
	Level 1	Level 2	Level 3	Total Fair Value	Net Investment Gain
Investments					
Cash and cash equivalents	$ 16,231	$ -	$ -	$ 16,231	$ 4,109
Commingled funds					
International equity	-	88,954	-	88,954	22,520
Common stock					
International equity	987,878	3	-	987,881	250,101
U.S. equity	186,014	-	-	186,014	47,092
Convertible securities	-	4	-	4	1
Total investments at fair value	$ 1,190,123	$ 88,961	$ -	$ 1,279,084	$ 323,823

NOTE 8 RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following table reconciles net assets per the Statements of Net Assets Available for Benefits to the Plan s Form 5500 Asset and Liability Statement at December 31 (in thousands):

	2010	2009
Net assets available for benefits per the financial statements	$ 2,132,531	$ 2,114,028
Adjustment for deemed no post default payments	(1,003)	(1,007)
Adjustment for fully benefit-responsive investment contracts	7,878	3,072
Net assets available for benefits per Form 5500	$ 2,139,406	$ 2,116,093

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VERIZON SAVINGS AND SECURITY PLAN FOR

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NOTE 8 RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 (continued)

The following table reconciles net change per the Statement of Changes in Net Assets Available for Benefits to net income per the Plan s Form 5500 Income and Expense Statement for the year ended December 31, 2010 (in thousands):

	2010
Net change per the financial statements	$ 18,503
Adjustment for deemed no post default payments	4
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	4,806
Net income per Form 5500	$ 23,313

NOTE 9 OTHER

On July 1, 2010 Verizon divested its local wireline operations serving residential and small business customers in predominantly rural areas in fourteen states through the spin-off of a Verizon subsidiary (Spinco), holding defined assets and liabilities of these operations, and the subsequent merger of Spinco with Frontier Communications Corporation (Frontier). As a result of the spin-off and merger, approximately $51 million was transferred from the Plan to new plan(s) sponsored by Frontier.

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VERIZON SAVINGS AND SECURITY PLAN FOR MID-ATLANTIC ASSOCIATES

EIN: 23-2259884

Plan # 004

Schedule H, Line4(i) Schedule of Assets (Held at End of Year)

As of December 31, 2010

(in thousands of dollars)

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Current Value
Notes receivable from participants*	0 - 15 years maturity at 3.25% - 10.50%	$124,666

**Party-in-interest*

Cost information is not required because investments are participant-directed.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Verizon Employee Benefits Committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

VERIZON SAVINGS AND SECURITY PLAN FOR MID-ATLANTIC ASSOCIATES

By: /s/ Marc C. Reed
Marc C. Reed
(Chairperson, Verizon Employee Benefits Committee)
Date: June 29, 2011

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Exhibit Index

23.1 Consent of Independent Registered Public Accounting Firm