

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2012 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>DIPLOMAT SPECIALTY PHARMACY, I 401(K) PROFIT SHARING PLAN & TRUST</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>07/01/1990</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>07/01/1990</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>07/01/1990</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>DIPLOMAT SPECIALTY PHARMACY, I</u> <u>4100 S SAGINAW ST STE A</u> <u>FLINT, MI 48507-2687</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>38-2063100</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>810-768-9325</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>446110</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>38-2063100</u>	2c Sponsor's telephone number <u>810-768-9325</u>	2d Business code (see instructions) <u>446110</u>	
2b Employer Identification Number (EIN) <u>38-2063100</u>					
2c Sponsor's telephone number <u>810-768-9325</u>					
2d Business code (see instructions) <u>446110</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature. Signature of plan administrator	10/09/2013 Date	DIPLOMAT SPECIALTY PHARMACY, I 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		3b Administrator's EIN
		3c Administrator's telephone number
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		5 538
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	665
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	37
d Subtotal. Add lines 6a , 6b , and 6c	6d	702
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	702
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	399
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: 2A 2E 2F 2G 2J 2K 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) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 <u>DIPLOMAT SPECIALTY PHARMACY, I 401(K) PROFIT SHARING PLAN & TRUST</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>DIPLOMAT SPECIALTY PHARMACY, I</u>	D Employer Identification Number (EIN) <u>38-2063100</u>

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

16-1486352

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012		
A Name of plan DIPLOMAT SPECIALTY PHARMACY, I 401(K) PROFIT SHARING PLAN & TRUST	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 DIPLOMAT SPECIALTY PHARMACY, I	D Employer Identification Number (EIN) 38-2063100	

Part I	Asset and Liability Statement
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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	0	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	896968	435018
(2) U.S. Government securities.....	1c(2)	0	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	
(B) All other.....	1c(3)(B)	0	
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	
(B) Common	1c(4)(B)	0	
(5) Partnership/joint venture interests	1c(5)	0	
(6) Real estate (other than employer real property)	1c(6)	0	
(7) Loans (other than to participants)	1c(7)	0	
(8) Participant loans	1c(8)	299521	248825
(9) Value of interest in common/collective trusts.....	1c(9)	0	0
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	4585713	6760212
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	
(2) Employer real property	1d(2)	0	
e Buildings and other property used in plan operation	1e	0	
f Total assets (add all amounts in lines 1a through 1e)	1f	5782202	7444055

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	5782202	7444055
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	590693	
(B) Participants	2a(1)(B)	1129022	
(C) Others (including rollovers)	2a(1)(C)	163067	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1882782
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	13154	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		13154
(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)	165481	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		165481
(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)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		548096
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		2609513

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	900065	
(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)		900065
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	24215	
(2) Contract administrator fees	2i(2)	860	
(3) Investment advisory and management fees	2i(3)	19408	
(4) Other	2i(4)	3112	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		47595
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		947660

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		1661853
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: GRANT THORNTON LLP

(2) EIN: 36-6055558

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:

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.).....

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.).....

	Yes	No	Amount
4a		X	
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.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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 <u>DIPLOMAT SPECIALTY PHARMACY, I 401(K) PROFIT SHARING PLAN & TRUST</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>DIPLOMAT SPECIALTY PHARMACY, I</u>	D Employer Identification Number (EIN) <u>38-2063100</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>16-1470238</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3

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

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

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

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

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

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): _____

Financial Statements and Report of Independent
Certified Public Accountants

**Diplomat Pharmacy, Inc. Profit Sharing Plan and
Trust**

December 31, 2012 and 2011

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Report of Independent Certified Public Accountants

To the Plan Administrator
Diplomat Pharmacy, Inc.
Profit Sharing Plan and Trust

Grant Thornton LLP
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Southfield, MI 48034-2366
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Report on the financial statements

We were engaged to audit the accompanying financial statements of Diplomat Pharmacy, Inc. Profit Sharing 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

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 certified information described in Note C, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the certifying entity meets the requirements of 29 CFR 2520.103-8. The Plan administrator obtained a certification from this entity as of December 31, 2012 and 2011, and for the year ended December 31, 2012, stating that the certified information provided to the Plan administrator is complete and accurate.

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.

Supplementary information

The supplemental schedules, Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2012 and Schedule G, Part III, Line 4d – Schedule of Nonexempt Transactions as of December 31, 2012, are presented for purposes of additional analysis and are not a required part of the financial statements, but are supplementary information 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, we do not express an opinion on the supplemental schedules.

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 schedules, other than that derived from the certified information described in Note C, 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.

Grant Thornton LLP

Southfield, MI
October 4, 2013

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust
Statements of Net Assets Available for Benefits
As of December 31,

	<u>2012</u>	<u>2011</u>
Assets:		
Investments at fair value:		
Mutual funds	\$7,195,230	\$5,482,681
Total investments	7,195,230	5,482,681
Receivables:		
Employer contributions	-	3,007
Employee contributions	11,000	-
Notes receivable from participants	248,825	299,521
Total receivables	259,825	302,528
Total assets	7,455,055	5,785,209
Net assets available for benefits	<u>\$7,455,055</u>	<u>\$5,785,209</u>

The accompanying notes are an integral part of these financial statements.

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31,

	<u>2012</u>
Additions:	
Investment income:	
Net appreciation in fair value of mutual funds	\$ 548,096
Interest and dividends	<u>165,481</u>
Total investment income	713,577
Interest income on notes receivable from participants	13,154
Contributions:	
Employer	587,687
Participants	1,140,021
Rollovers	<u>163,067</u>
Total contributions	<u>1,890,775</u>
Total additions	2,617,506
Deductions:	
Benefits paid to participants	900,065
Administrative expenses	<u>47,595</u>
Total deductions	<u>947,660</u>
Net increase	1,669,846
Net assets available for benefits:	
Beginning of year	<u>5,785,209</u>
End of year	<u><u>\$7,455,055</u></u>

The accompanying notes are an integral part of this financial statement.

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust

Notes to Financial Statements

December 31, 2012 and 2011

Note A – Description of Plan

The following description of the Diplomat Pharmacy, Inc. Profit Sharing 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 a defined contribution plan covering all full-time employees of Diplomat Pharmacy, Inc. (the “Company”) and its wholly owned subsidiaries who have three months of service and are age 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). The Investment Committee determines the appropriateness of the Plan’s investment offerings and monitors investment performance.

Contributions

Each year, participants may contribute up to 100 percent of pretax annual compensation, as defined by the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investment of their contributions into various investment options offered by the Plan. The Company contributes 100 percent of the first 3 percent of base compensation that a participant contributes to the Plan, then 50 percent of the second 2 percent. Additional profit sharing amounts may be contributed at the option of the Company. During the year ended December 31, 2012 the Company did not make a profit sharing contribution to the Plan. Contributions, including catch-up contributions, are subject to certain Internal Revenue Service (“IRS”) limitations.

Participant accounts

Each participant’s account is credited with the participant’s contributions and Company matching contributions, as well as allocations of the Company’s profit sharing contribution and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

Vesting

Participants are vested immediately in their contributions and the Company’s matching contributions plus actual earnings thereon. Vesting in the Company’s discretionary profit sharing contribution portion of their accounts is based on years of continuous service. A participant is 100 percent vested after six years of credited service, as follows:

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

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust

Notes to Financial Statements – Continued

December 31, 2012 and 2011

Note A – Description of Plan (Continued)

Notes receivable from participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their account balance. The loans are secured by the balance in the participant's account. The loan interest rate, determined quarterly, is commensurate with local prevailing rates. Principal and interest is paid ratably through bi-weekly payroll deductions.

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 his or her account, or annual installments over a period of time. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump sum distribution.

Forfeited accounts

Forfeited accounts are used to pay Plan expenses and reduce future employer contributions.

Note B – Summary of 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 charges 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 advisers. See note E 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.

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust

Notes to Financial Statements – Continued

December 31, 2012 and 2011

Note B – Summary of Accounting Policies (Continued)

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. 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, 2012 or 2011. If a participant ceases to make loan repayments and the participant loan is deemed to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Payment of Benefits

Benefits are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid directly by the Plan and are included in these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

Subsequent Events

The Plan has evaluated subsequent events through October 4, 2013, the date the financial statements were available to be issued.

Note C – Certified Financial Information

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, Mid Atlantic Trust Company, the Trustee of the Plan, has certified that the following data included in the accompanying financial statements and supplemental schedules is complete and accurate:

- Total investments as shown in the Statements of Net Assets Available for Benefits as of December 31, 2012 and 2011.
- Total investment income as shown in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2012.
- Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2012.

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedules.

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust

Notes to Financial Statements – Continued

December 31, 2012 and 2011

Note D - Investments

The following presents investments that represent 5 percent or more of the Plan's net assets.

	December 31,	
	2012	2011
Columbia Middle Capital Growth Fund Z	\$760,626	\$ *
Fidelity Contrafund	530,248	343,150
Vanguard Target Retirement 2050 Fund	513,928	446,353
Vanguard 500 Index Trust Fund	457,169	349,547
Vanguard Prime Money Market Fund	435,018	896,969
Vanguard Small Capital Growth Index Fund	373,241	*
Vanguard Government National Mortgage Association Fund	**	422,518

* Investment did not represent five percent of the Plan's net assets available for plan benefits as of December 31, 2011.

** Investment did not represent five percent of the Plan's net assets available for plan benefits as of December 31, 2012.

During 2012, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$548,096.

Note E – Fair Value Measurements

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 quotes 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 under FASB ASC 820 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.

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

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

The asset 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.

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust

Notes to Financial Statements – Continued

December 31, 2012 and 2011

Note E – Fair Value Measurements (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2012 and 2011:

Assets at Fair Value as of December 31, 2012				
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Fixed income funds	\$ 805,990	\$ -	\$ -	\$ 805,990
Multi asset funds	1,543,998	-	-	1,543,998
Large cap stock funds	1,360,182	-	-	1,360,182
Small / mid-cap stock funds	2,097,976	-	-	2,097,976
International stock funds	472,007	-	-	472,007
Long term growth funds	736,253	-	-	736,253
Real estate investment trust fund ("REIT")	178,824	-	-	178,824
Total assets at fair value	\$7,195,230	\$ -	\$ -	\$7,195,230

Fair Value Measurements at December 31, 2011				
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Fixed income funds	\$1,437,874	\$ -	\$ -	\$1,437,874
Multi asset funds	1,371,026	-	-	1,371,026
Large cap stock funds	1,083,268	-	-	1,083,268
Small / mid-cap stock funds	1,017,675	-	-	1,017,675
International stock funds	256,039	-	-	256,039
Long term growth funds	204,242	-	-	204,242
Real estate investment trust fund ("REIT")	112,557	-	-	112,557
Total assets at fair value	\$5,482,681	\$ -	\$ -	\$5,482,681

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust

Notes to Financial Statements – Continued

December 31, 2012 and 2011

Note F – Related-Party Transactions and Party In Interest Transactions

Fees incurred by the Plan for the investment management services from Mid Atlantic Trust Company, the Trustee of the Plan, are included in net appreciation in fair value of mutual funds, as they are paid through revenue sharing, rather than a direct payment. The audit fees are paid from the Plan's non-vested forfeiture account. The Company pays directly any other fees related to the Plan's operations.

Note G – 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 employer contributions.

Note H – Tax Status

The Company has adopted a standardized prototype profit sharing 401(k) salary-deferral Plan. The prototype document received a favorable opinion letter from the IRS on March 31, 2008 for the Plan. Although the Plan has been amended since then, the Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the Internal Revenue Code ("IRC") in all material respects.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Department of Labor or the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

Note I – Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in 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 plan benefits.

Note J – Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2012 and 2011, to Form 5500:

	<u>2012</u>	<u>2011</u>
Net assets available for benefits per the financial statements.....	\$7,455,055	\$5,785,209
Less: Employee and employer contributions receivable.....	<u>11,000</u>	<u>3,007</u>
Net assets available for benefits per the Form 5500.....	<u><u>\$7,444,055</u></u>	<u><u>\$5,782,202</u></u>

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust

Notes to Financial Statements – Continued

December 31, 2012 and 2011

Note J – Reconciliation of Financial Statements to Form 5500 (Continued)

The following is a reconciliation of the net decrease in assets available for benefits per the financial statements for the year ended December 31, 2012 to net decrease per the Form 5500:

	<u>2012</u>
Total net increase in assets available for benefits per the financial statements	\$1,669,846
Contributions receivable at December 31, 2012	(11,000)
Contributions receivable at December 31, 2011	<u>3,007</u>
Total net increase per the Form 5500	<u><u>\$1,661,853</u></u>

Note K – Nonexempt Transactions

During 2011, it was determined that the Company was refunded excess employer contributions out of Plan assets. The details of the nonexempt transaction have been disclosed on supplemental schedule, Schedule G, Part III, Line 4d – Schedule of Nonexempt Transactions. The Company has taken the appropriate actions to remediate the nonexempt transaction during 2013.

Supplemental Schedules

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust
Schedule H – Line 4i – Schedule of Assets (Held at End of Year)
As of December 31, 2012

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par of Maturity Value	Cost	Current Value
	Mutual funds:			
	Columbia Management	Columbia Middle Capital Growth Fund Z	**	760,626
	Fidelity Trust Company	Fidelity Contrafund	**	530,248
	Vanguard	Vanguard Target Retirement 2050 Fund	**	513,928
	Vanguard	Vanguard 500 Index Trust Fund	**	457,169
	Vanguard	Vanguard Prime Money Market Fund	**	435,018
	Vanguard	Vanguard Small Capital Growth Index Fund	**	373,241
	Vanguard	Vanguard Government National Mortgage Association Fund	**	363,198
	American Funds	American Funds Small Capital World R6 Fund	**	346,827
	Vanguard	Vanguard Target Retirement 2040 Fund	**	340,909
	Vanguard	Vanguard Target Retirement 2030 Fund	**	317,368
	American Funds	American Funds EuroPacific Growth R6 Fund	**	310,369
	Goldman Sachs	Goldman Sachs Middle Capital Value IR Fund	**	241,053
	Vanguard	Vanguard Target Retirement 2020 Fund	**	236,150
	American Funds	American Funds Washington Mutual R6 Fund	**	230,010
	PIMCO	PIMCO Total Return P Fund	**	223,004
	The Royce Funds	Royce Pennsylvania Mutual Fund	**	203,704
	Vanguard	Vanguard Real Estate Investment Trust Fund	**	178,824
	Franklin Templeton Investments	Templeton Global Bond Advisors Fund	**	176,835
	Oppenheimer Funds	Oppenheimer Developing Markets Y Fund	**	161,638
	Prudential Investments	Prudential Jennison Natural Resources Z Fund	**	150,051
	Lord Abbett & Co	Lord Abbett Fundamental Equity A Fund	**	142,755
	Vanguard	Vanguard Extended Market Index Fund	**	112,571
	Lord Abbett & Co.	Lord Abbett High Yield Fund	**	85,021
	Vanguard	Vanguard Balanced Index Fund	**	76,341
	PIMCO	Pacific Investment Management Company Low Duration Fund	**	62,812
	Vanguard	Vanguard Small Capital 600 Value Index Fund	**	59,954
	Vanguard	Vanguard Target Retirement 2010 Fund	**	53,470
	PIMCO	PIMCO Real Return P Fund	**	46,304
	Vanguard	Vanguard Target Retirement Fund, Inc.	**	5,832
	Notes Receivable From Participants:			
*	Notes receivable from participants	Participant Loans 4.25% - 9.50% with Various Terms	**	248,825
				<u>\$7,444,055</u>

* Represents a party-in-interest

** Cost information omitted for investments that are fully participant directed.

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust
Schedule G, Part III, Line 4d – Schedule of Nonexempt Transactions
As of December 31, 2012

Total That Constitute Nonexempt Prohibited
Transactions

Identity of party involved	Relationship to Plan employer of other party in interest	Description of transaction including rate or interest	Amount of deemed loan between Plan and party in interest	Net gain on transaction (loan interest)
Diplomat Pharmacy, Inc.	Employer	The Company was refunded employer contributions out of Plan assets	\$43,088	\$ -

Financial Statements and Report of Independent
Certified Public Accountants

**Diplomat Pharmacy, Inc. Profit Sharing Plan and
Trust**

December 31, 2012 and 2011

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Report of Independent Certified Public Accountants

To the Plan Administrator
Diplomat Pharmacy, Inc.
Profit Sharing Plan and Trust

Grant Thornton LLP
27777 Franklin Road, Suite 800
Southfield, MI 48034-2366
T 248.262.1950
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Report on the financial statements

We were engaged to audit the accompanying financial statements of Diplomat Pharmacy, Inc. Profit Sharing 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

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 certified information described in Note C, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the certifying entity meets the requirements of 29 CFR 2520.103-8. The Plan administrator obtained a certification from this entity as of December 31, 2012 and 2011, and for the year ended December 31, 2012, stating that the certified information provided to the Plan administrator is complete and accurate.

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.

Supplementary information

The supplemental schedules, Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2012 and Schedule G, Part III, Line 4d – Schedule of Nonexempt Transactions as of December 31, 2012, are presented for purposes of additional analysis and are not a required part of the financial statements, but are supplementary information 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, we do not express an opinion on the supplemental schedules.

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 schedules, other than that derived from the certified information described in Note C, 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.

Grant Thornton LLP

Southfield, MI
October 4, 2013

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust
Statements of Net Assets Available for Benefits
As of December 31,

	<u>2012</u>	<u>2011</u>
Assets:		
Investments at fair value:		
Mutual funds	\$7,195,230	\$5,482,681
Total investments	7,195,230	5,482,681
Receivables:		
Employer contributions	-	3,007
Employee contributions	11,000	-
Notes receivable from participants	248,825	299,521
Total receivables	259,825	302,528
Total assets	7,455,055	5,785,209
Net assets available for benefits	<u>\$7,455,055</u>	<u>\$5,785,209</u>

The accompanying notes are an integral part of these financial statements.

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31,

	<u>2012</u>
Additions:	
Investment income:	
Net appreciation in fair value of mutual funds	\$ 548,096
Interest and dividends	<u>165,481</u>
Total investment income	713,577
Interest income on notes receivable from participants	13,154
Contributions:	
Employer	587,687
Participants	1,140,021
Rollovers	<u>163,067</u>
Total contributions	<u>1,890,775</u>
Total additions	2,617,506
Deductions:	
Benefits paid to participants	900,065
Administrative expenses	<u>47,595</u>
Total deductions	<u>947,660</u>
Net increase	1,669,846
Net assets available for benefits:	
Beginning of year	<u>5,785,209</u>
End of year	<u><u>\$7,455,055</u></u>

The accompanying notes are an integral part of this financial statement.

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust

Notes to Financial Statements

December 31, 2012 and 2011

Note A – Description of Plan

The following description of the Diplomat Pharmacy, Inc. Profit Sharing 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 a defined contribution plan covering all full-time employees of Diplomat Pharmacy, Inc. (the “Company”) and its wholly owned subsidiaries who have three months of service and are age 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). The Investment Committee determines the appropriateness of the Plan’s investment offerings and monitors investment performance.

Contributions

Each year, participants may contribute up to 100 percent of pretax annual compensation, as defined by the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investment of their contributions into various investment options offered by the Plan. The Company contributes 100 percent of the first 3 percent of base compensation that a participant contributes to the Plan, then 50 percent of the second 2 percent. Additional profit sharing amounts may be contributed at the option of the Company. During the year ended December 31, 2012 the Company did not make a profit sharing contribution to the Plan. Contributions, including catch-up contributions, are subject to certain Internal Revenue Service (“IRS”) limitations.

Participant accounts

Each participant’s account is credited with the participant’s contributions and Company matching contributions, as well as allocations of the Company’s profit sharing contribution and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

Vesting

Participants are vested immediately in their contributions and the Company’s matching contributions plus actual earnings thereon. Vesting in the Company’s discretionary profit sharing contribution portion of their accounts is based on years of continuous service. A participant is 100 percent vested after six years of credited service, as follows:

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

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust

Notes to Financial Statements – Continued

December 31, 2012 and 2011

Note A – Description of Plan (Continued)

Notes receivable from participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their account balance. The loans are secured by the balance in the participant's account. The loan interest rate, determined quarterly, is commensurate with local prevailing rates. Principal and interest is paid ratably through bi-weekly payroll deductions.

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 his or her account, or annual installments over a period of time. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump sum distribution.

Forfeited accounts

Forfeited accounts are used to pay Plan expenses and reduce future employer contributions.

Note B – Summary of 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 charges 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 advisers. See note E 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.

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust

Notes to Financial Statements – Continued

December 31, 2012 and 2011

Note B – Summary of Accounting Policies (Continued)

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. 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, 2012 or 2011. If a participant ceases to make loan repayments and the participant loan is deemed to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Payment of Benefits

Benefits are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid directly by the Plan and are included in these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

Subsequent Events

The Plan has evaluated subsequent events through October 4, 2013, the date the financial statements were available to be issued.

Note C – Certified Financial Information

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, Mid Atlantic Trust Company, the Trustee of the Plan, has certified that the following data included in the accompanying financial statements and supplemental schedules is complete and accurate:

- Total investments as shown in the Statements of Net Assets Available for Benefits as of December 31, 2012 and 2011.
- Total investment income as shown in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2012.
- Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2012.

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedules.

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust

Notes to Financial Statements – Continued

December 31, 2012 and 2011

Note D - Investments

The following presents investments that represent 5 percent or more of the Plan's net assets.

	December 31,	
	2012	2011
Columbia Middle Capital Growth Fund Z	\$760,626	\$ *
Fidelity Contrafund	530,248	343,150
Vanguard Target Retirement 2050 Fund	513,928	446,353
Vanguard 500 Index Trust Fund	457,169	349,547
Vanguard Prime Money Market Fund	435,018	896,969
Vanguard Small Capital Growth Index Fund	373,241	*
Vanguard Government National Mortgage Association Fund	**	422,518

* Investment did not represent five percent of the Plan's net assets available for plan benefits as of December 31, 2011.

** Investment did not represent five percent of the Plan's net assets available for plan benefits as of December 31, 2012.

During 2012, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$548,096.

Note E – Fair Value Measurements

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 quotes 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 under FASB ASC 820 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.

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

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

The asset 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.

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust

Notes to Financial Statements – Continued

December 31, 2012 and 2011

Note E – Fair Value Measurements (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2012 and 2011:

Assets at Fair Value as of December 31, 2012				
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Fixed income funds	\$ 805,990	\$ -	\$ -	\$ 805,990
Multi asset funds	1,543,998	-	-	1,543,998
Large cap stock funds	1,360,182	-	-	1,360,182
Small / mid-cap stock funds	2,097,976	-	-	2,097,976
International stock funds	472,007	-	-	472,007
Long term growth funds	736,253	-	-	736,253
Real estate investment trust fund ("REIT")	178,824	-	-	178,824
Total assets at fair value	\$7,195,230	\$ -	\$ -	\$7,195,230

Fair Value Measurements at December 31, 2011				
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Fixed income funds	\$1,437,874	\$ -	\$ -	\$1,437,874
Multi asset funds	1,371,026	-	-	1,371,026
Large cap stock funds	1,083,268	-	-	1,083,268
Small / mid-cap stock funds	1,017,675	-	-	1,017,675
International stock funds	256,039	-	-	256,039
Long term growth funds	204,242	-	-	204,242
Real estate investment trust fund ("REIT")	112,557	-	-	112,557
Total assets at fair value	\$5,482,681	\$ -	\$ -	\$5,482,681

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust

Notes to Financial Statements – Continued

December 31, 2012 and 2011

Note F – Related-Party Transactions and Party In Interest Transactions

Fees incurred by the Plan for the investment management services from Mid Atlantic Trust Company, the Trustee of the Plan, are included in net appreciation in fair value of mutual funds, as they are paid through revenue sharing, rather than a direct payment. The audit fees are paid from the Plan's non-vested forfeiture account. The Company pays directly any other fees related to the Plan's operations.

Note G – 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 employer contributions.

Note H – Tax Status

The Company has adopted a standardized prototype profit sharing 401(k) salary-deferral Plan. The prototype document received a favorable opinion letter from the IRS on March 31, 2008 for the Plan. Although the Plan has been amended since then, the Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the Internal Revenue Code ("IRC") in all material respects.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Department of Labor or the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

Note I – Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in 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 plan benefits.

Note J – Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2012 and 2011, to Form 5500:

	<u>2012</u>	<u>2011</u>
Net assets available for benefits per the financial statements.....	\$7,455,055	\$5,785,209
Less: Employee and employer contributions receivable.....	<u>11,000</u>	<u>3,007</u>
Net assets available for benefits per the Form 5500.....	<u><u>\$7,444,055</u></u>	<u><u>\$5,782,202</u></u>

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust

Notes to Financial Statements – Continued

December 31, 2012 and 2011

Note J – Reconciliation of Financial Statements to Form 5500 (Continued)

The following is a reconciliation of the net decrease in assets available for benefits per the financial statements for the year ended December 31, 2012 to net decrease per the Form 5500:

	<u>2012</u>
Total net increase in assets available for benefits per the financial statements	\$1,669,846
Contributions receivable at December 31, 2012	(11,000)
Contributions receivable at December 31, 2011	<u>3,007</u>
Total net increase per the Form 5500	<u><u>\$1,661,853</u></u>

Note K – Nonexempt Transactions

During 2011, it was determined that the Company was refunded excess employer contributions out of Plan assets. The details of the nonexempt transaction have been disclosed on supplemental schedule, Schedule G, Part III, Line 4d – Schedule of Nonexempt Transactions. The Company has taken the appropriate actions to remediate the nonexempt transaction during 2013.

Supplemental Schedules

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust
Schedule H – Line 4i – Schedule of Assets (Held at End of Year)
As of December 31, 2012

(a)	(b)	(c)	(d)	(e)
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	Mutual funds:			
	Columbia Management	Columbia Middle Capital Growth Fund Z	**	760,626
	Fidelity Trust Company	Fidelity Contrafund	**	530,248
	Vanguard	Vanguard Target Retirement 2050 Fund	**	513,928
	Vanguard	Vanguard 500 Index Trust Fund	**	457,169
	Vanguard	Vanguard Prime Money Market Fund	**	435,018
	Vanguard	Vanguard Small Capital Growth Index Fund	**	373,241
	Vanguard	Vanguard Government National Mortgage Association Fund	**	363,198
	American Funds	American Funds Small Capital World R6 Fund	**	346,827
	Vanguard	Vanguard Target Retirement 2040 Fund	**	340,909
	Vanguard	Vanguard Target Retirement 2030 Fund	**	317,368
	American Funds	American Funds EuroPacific Growth R6 Fund	**	310,369
	Goldman Sachs	Goldman Sachs Middle Capital Value IR Fund	**	241,053
	Vanguard	Vanguard Target Retirement 2020 Fund	**	236,150
	American Funds	American Funds Washington Mutual R6 Fund	**	230,010
	PIMCO	PIMCO Total Return P Fund	**	223,004
	The Royce Funds	Royce Pennsylvania Mutual Fund	**	203,704
	Vanguard	Vanguard Real Estate Investment Trust Fund	**	178,824
	Franklin Templeton Investments	Templeton Global Bond Advisors Fund	**	176,835
	Oppenheimer Funds	Oppenheimer Developing Markets Y Fund	**	161,638
	Prudential Investments	Prudential Jennison Natural Resources Z Fund	**	150,051
	Lord Abbett & Co	Lord Abbett Fundamental Equity A Fund	**	142,755
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	Vanguard	Vanguard Balanced Index Fund	**	76,341
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	Vanguard	Vanguard Small Capital 600 Value Index Fund	**	59,954
	Vanguard	Vanguard Target Retirement 2010 Fund	**	53,470
	PIMCO	PIMCO Real Return P Fund	**	46,304
	Vanguard	Vanguard Target Retirement Fund, Inc.	**	5,832
	Notes Receivable From Participants:			
*	Notes receivable from participants	Participant Loans 4.25% - 9.50% with Various Terms	**	248,825
				<u>\$7,444,055</u>

* Represents a party-in-interest

** Cost information omitted for investments that are fully participant directed.

Diplomat Pharmacy, Inc. Profit Sharing Plan and Trust
Schedule G, Part III, Line 4d – Schedule of Nonexempt Transactions
As of December 31, 2012

Total That Constitute Nonexempt Prohibited
Transactions

Identity of party involved	Relationship to Plan employer of other party in interest	Description of transaction including rate or interest	Amount of deemed loan between Plan and party in interest	Net gain on transaction (loan interest)
Diplomat Pharmacy, Inc.	Employer	The Company was refunded employer contributions out of Plan assets	\$43,088	\$ -