Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2012

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

A This return/report is for: ☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ 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
PEOPLES FIRST PROPERTIES RETIREMENT SAVINGS PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 12/31/1991

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

PEOPLES FIRST PROPERTIES

1002 W. 23RD STREET, SUITE 400
PANAMA CITY, FL 32405

2b Employer Identification Number (EIN) 59-3020789

2c Sponsor's telephone number 850-769-8981

2d Business code (see instructions) 551111

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2013	JOSEPH F. CHAPMAN IV
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Preparer's telephone number (optional)

3a Plan administrator's name and address [X] 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:	**4b** EIN	
a Sponsor's name	**4c** PN	

5	Total number of participants at the beginning of the plan year	**5**	1552
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**	773
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	808
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	1581
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	1
f	Total. Add lines **6d** and **6e**	**6f**	1582
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	1224
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	32
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:
2F 2H 2J 2K 2O 3D 3H 3I 2E 2T

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)	[X]	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)	[X]	Trust
(4)	[ ]	General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**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
PEOPLES FIRST PROPERTIES RETIREMENT SAVINGS PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
PEOPLES FIRST PROPERTIES

D Employer Identification Number (EIN)
59-3020789

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

DAILYACCESS CORPORATION

63-1156117

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

MID ATLANTIC TRUST COMPANY

27-3169253

(b) Enter name and EIN or address of person who provided you disclosures 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)

FINANCIAL TELESIS, INC.

68-0279977

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	INVESTMENT ADVISOR	6250	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

DAILYACCESS CORPORATION

63-1156117

(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?
15 16 37 50 59 64 70	NONE	2695	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [ ]

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

MERRILL LYNCH

480 JENKS AVENUE
PANAMA CITY, FL 32401

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 63	NONE	0	Yes [X] No [ ]	Yes [ ] No [X]	0	Yes [X] 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
MERRILL LYNCH	27 63	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
ARIEL FUNDS 200 EAST RANDOLPH STREET SUITE 2900 CHICAGO, IL 60601	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
MERRILL LYNCH	27 63	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
INVESCO DISTRIBUTORS P.O. BOX 219078 KANSAS CITY, MO 64121-9078	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
MERRILL LYNCH	27 63	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
JOHN HANCOCK FUNDS P.O. BOX 55913 BOSTON, MA 02205-5913	0.25%

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
MERRILL LYNCH	27 63	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
JP MORGAN DISTRIBUTION SERVICES PO BOX 8528 BOSTON, MA 02266-8528	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
MERRILL LYNCH	27 63	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
LOOMIS SAYLES FUNDS P.O. BOX 219594 KANSAS CITY, MO 64121-9594	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
MERRILL LYNCH	27 63	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PIMCO INVESTMENTS P.O. BOX 55060 BOSTON, MA 02205-5060	0.25%

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
MERRILL LYNCH	27 63	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
RS FUNDS 388 MARKET STREET, SUITE 1700 SAN FRANCISCO, CA 94111	0.25%

(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

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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)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

2012

This Form is Open to Public Inspection

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

A Name of plan
PEOPLES FIRST PROPERTIES RETIREMENT SAVINGS PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
PEOPLES FIRST PROPERTIES

D Employer Identification Number (EIN)
59-3020789

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	16832	8847
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	512237	504548
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	4092065	3917774
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	436050	432784
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	5057184	4863953
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h	17615	0
i Acquisition indebtedness	1i		
j Other liabilities	1j	159861	0
k Total liabilities (add all amounts in lines 1g through1j)	1k	177476	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	4879708	4863953

Part II Income and Expense Statement

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

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)		
(B) Participants	2a(1)(B)	356846	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		356846
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	15974	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		15974
(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)	74322	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		74322
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		518336
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		965478
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	959261	
(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)		959261
f Corrective distributions (see instructions)	2f		6611
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	2686	
(3) Investment advisory and management fees	2i(3)	12675	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		15361
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		981233
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-15755
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: BABUSH NIEMAN KORNMAN & JOHNSON LLP **(2)** EIN: 58-0972047

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		2000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f	X		1489687
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m	X		
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n	X		

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If "Yes," enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

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

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

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
PEOPLES FIRST PROPERTIES RETIREMENT SAVINGS PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
PEOPLES FIRST PROPERTIES

D Employer Identification Number (EIN)
59-3020789

Part I Distributions

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

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

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

EIN(s): 59-3020789 27-3169253

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

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

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☒ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☒ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☒ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☒ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a	The current year	**14a**	
b	The plan year immediately preceding the current plan year	**14b**	
c	The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a	The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b	The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a	Enter the number of employers who withdrew during the preceding plan year	**16a**	
b	If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

PEOPLES FIRST PROPERTIES RETIREMENT SAVINGS PLAN

FINANCIAL STATEMENTS
with
SUPPLEMENTAL SCHEDULE

As of DECEMBER 31, 2012 and 2011
and
For the Year Ended DECEMBER 31, 2012

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TARWATER & COMPANY, PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Peoples First Properties Retirement Savings Plan
Panama City, FL

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Peoples First Properties Retirement Savings Plan, which comprise the statement of net assets available for benefits as of December 31, 2012, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

We were unable to apply auditing procedures sufficiently to determine the extent the financial statements may have been affected because of the conditions that have been outlined in Note 7. We were unable to obtain sufficient appropriate audit evidence about the misappropriation relating to net assets available for benefits and changes in net assets available for benefits, as well as participant records by other auditing procedures.

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 the financial statements referred to in the first paragraph.

Report on Supplemental Schedule

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule H, Line 4 – Schedule of Assets Held for Investment Purposes, which is the responsibility of plan management, is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedules referred to above.

Other Matters

The financial statements of Peoples First Properties Retirement Savings Plan as of December 31, 2011 were audited by other auditors whose report dated October 12, 2012 did not express an opinion on the financial statements based on information presented in Note 7 of the financial statements.

Tarwater & Company, PC

Knoxville, TN
September 26, 2013

PEOPLES FIRST PROPERTIES RETIREMENT SAVINGS PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2012 and 2011

	2012	2011
Investments, at fair value	$ 3,917,774	$ 4,565,900
Receivables		
Insurance receivable	1,348,835	-
Notes receivable from participants	504,548	512,237
Cash	8,135	16,832
Excess contributions payable	(5,454)	(17,615)
Accounts payable	-	(159,861)
Net assets reflecting investments at fair value	5,773,838	4,917,493
Adjustment from fair value to contract value for fully benefit-responsive investment contract	(36,102)	(37,785)
Net assets available for benefits	$ 5,737,736	$ 4,879,708

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

PEOPLES FIRST PROPERTIES RETIREMENT SAVINGS PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2012

Additions to net assets attributed to:	
Participant contributions	$ 351,392
Interest and dividends	105,369
Net appreciation in fair value of mutual funds	290,140
Interest income on notes receivable from participants	15,974
Insurance recovery	1,489,687
Cancellation of debt	62,482
Total additions	2,315,044
Deductions from net assets attributed to:	
Net depreciation in fair value of company common stock	431,500
Benefits paid to participants	993,653
Administrative expenses	31,863
Total Deductions	1,457,016
Net increase	858,028
Net assets available for plan benefits:	
Beginning of year	4,879,708
End of year	$ 5,737,736

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

1. DESCRIPTION OF PLAN

The following description of Peoples First Properties Retirement Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more description of the Plan's provisions.

General

The Plan is a defined contribution plan with an employee stock ownership feature for eligible employees of Peoples First Properties, Inc. ("Sponsor," or the "Company") and its subsidiaries together with affiliated Royal American commonly controlled companies. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Administration

The Plan has contracted with Mid-Atlantic Trust Company to serve as trustee (the "Trustee"), and Daily Access to serve as the recordkeeper (the "Recordkeeper") and as the Plan's administrator (the "Plan Administrator").

Participation

The plan covers substantially all employees of the Company. Eligible employees for Plan participation are defined as employees who have completed six months of service and have attained age 21. A Year of Service will be completed when an employee has been credited with at least 1,000 Hours of Service at the end of their first twelve consecutive months of employment. If 1,000 hours are not reached within the first consecutive twelve months, a Year of Service will be completed at the end of any following Plan Year during which 1,000 Hours of Service have been credited. Actual entrance to the Plan will occur once eligible participants reach the Entry Date. Entry Date is defined as the first day of the Plan Year quarter coinciding with or following the satisfaction of eligibility requirements.

Contributions

Participants may elect to defer from 1% to 15% of their annual compensation, as defined, subject to the limitations prescribed by the Internal Revenue Code (the "Code"). The Company may also elect to make contributions to the Plan and these contributions are discretionary. There were no Company contributions made for the year ended December 31, 2012.

Participant Accounts

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

1. DESCRIPTION OF PLAN

Investment Options

Upon enrollment in the Plan, a participant may direct employee contributions into any investment option offered by the Plan, except for Company common stock. Participants may change their investment options daily.

Company Stock

Company contributions are invested within Company stock and participants may elect to diversify a percentage of their account, as defined, upon attainment of age 55 with 10 years of service.

Each participant is entitled to exercise voting rights attributable to the shares allocated to their account and is notified by the Company prior to the time that such rights may be exercised. The trustee is not permitted to vote any allocated shares for which instructions have not been given by a participant. The trustee votes any unallocated shares in the same proportion as those shares that were allocated, unless the Committee directs the trustee otherwise. Participants have the same voting rights in the event of a tender or exchange offer.

Under federal income tax regulations, the Company stock that is held by the Plan and its participants and is not readily marketable on an established market, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure the participant has the ability to ultimately obtain cash.

Vesting

Participants are fully vested in their contributions at all times. Vesting in the Company discretionary contributions made after December 31, 2006, is as follows:

Years of Service	Vesting Percentage
Less than 2 years	0%
2	20%
3	40%
4	60%
5	80%
6	100%

PEOPLES FIRST PROPERTIES RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF PLAN

Notes Receivable from Participants

Participants may borrow from their fund accounts up to a maximum equal to the lesser of $50,000 or 50 percent of their vested account balance. Loan terms range from one to five years. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined quarterly by the Plan administrator. Interest rates range from 3.25% - 8.25% on loans outstanding at December 31, 2012 and 2011. Principal and interest are paid ratably through payroll deductions.

Withdrawals and Distributions

Upon severance of employment, death or disability, attainment of age 59 ½, a participant or beneficiary may elect to receive either a lump sum amount equal to the value of his or her account, or regular periodic installments, as provided for by the Plan. Upon termination of service for a reason other than normal retirement, death or disability, a participant may elect to receive that value of the vested interest in his or her account as provided for by the Plan.

In the event of a hardship as defined by the Plan, participants may withdraw an amount not to exceed the total of all their salary reductions as provided for by the Plan.

Administrative Expenses

With the exception of investment and administrative fees, substantially all costs of administering the Plan are paid by the Company. These costs include legal, accounting and administrative fees.

Forfeited Accounts

The Plan allows forfeitures to be used to pay administrative expenses or to reduce employer matching contributions. At December 31, 2012, forfeited, non-vested accounts totaled approximately $0.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting, in accordance with accounting principles generally accepted in the United States of America.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

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

Risks and Uncertainties

The Plan's investments include mutual funds, a common collective trust fund and company stock. Investment securities are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities and the levels of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the value 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 Plan's financial statements and schedule.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. The fair value of a financial instrument is the amount 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 investments in mutual funds are valued based on the quoted market prices. The Plan's investment in a common collective trust fund is valued by the custodian of the fund based upon the quoted market prices of the underlying investments held by the fund. The Plan's investment in the Company common stock is valued based upon an independent appraisal performed by an outside consulting firm.

As of December 31, 2012, the Plan held an interest in the INVESCO Stable Value Fund. The INVESCO Stable Value Fund is a stable value fund that is a collective investment fund. The fund holds guaranteed investment contracts ("GICs") and synthetic GICS which are benefit responsive contracts. The fund is recorded at fair value; however, since these contracts are fully benefit-responsive, an adjustment is reflected in the statement of net assets available for benefits as of December 31, 2012 and 2011 to present this investment at contract value. Contract value is the relevant measurement attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The gains and losses in the market value of the underlying investments are represented on the Plan's Statements of Net Assets Available for Benefits as the "Adjustment from Fair Value to Contract Value".

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 depreciation in the fair value of investments includes both realized and unrealized gains and losses on investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation and Income Recognition Continued

Management fees and operating expenses charged to the Plan for investments in the mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Cash and Cash Equivalents

The Plan considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents consist primarily of a damnd deposit account, which is stated at cost which approximates fair value.

Payment of Benefits

Benefit distributions to participants are recorded when paid by the Plan.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the Internal Revenue Service are recorded as a liability. The Plan distributes the excess contributions to the applicable participants the subsequent year.

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. No allowance for credit losses has been recorded as of December 31, 2012 and 2011. 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.

New Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board issued Accounting Standards Update 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in GAAP and IFRSs* ("ASU 2011-04"). ASU 2011-04 amended Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosures,* to converge the fair value measurement guidance in U.S. GAAP and International Financial Reporting Standards. Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures. The Plan's adoption of this guidance on January 1, 2012 did not have a material effect on the Plan's financial statements.

3. FAIR VALUE MEASUREMENTS

The Plan has adopted ASC 820, *Fair Value Measurement Disclosures ("ASC 820").* ASC 820 established a fair value hierarchy that prioritized the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities inputs (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

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's or liability's fair value measurement level within the fair value hierarchy is based on the lowest of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methods described in Note 2 may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

3. FAIR VALUE MEASUREMENTS

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.

December 31, 2012	Level 1	Level 2	Fair Value
Mutual funds:			
Equity Fund	$ 1,659,644	$ -	$ 1,659,644
International Equity Fund	633,083	-	633,083
Balanced Fund	360,043	-	360,043
Total Mutual Funds	2,652,770	-	2,652,770
Stable Value Fund (a)	282,612	982,392	1,265,004
Common Stock	-	-	-
Total	$ 2,935,382	$ 982,392	$ 3,917,774

December 31, 2011	Level 1	Level 2	Fair Value
Mutual funds:			
World Stock Fund	$ 477,692	$ -	$ 477,692
Small Cap Growth Fund	33,399	-	33,399
Moderate Fund	378,414	-	378,414
Large Cap Growth Fund	289,957	-	289,957
Large Cap Value Fund	439,500	-	439,500
Small Cap Value Fund	59,188	-	59,188
Emerging Markets Fund	125,405	-	125,405
Mid Cap Value Fund	343,025	-	343,025
Multisector Bond Fund	239,613	-	239,613
Specialty-Financial Fund	57,179	-	57,179
Large Cap Blend Fund	431,492	-	431,492
Other	1,791	-	1,791
Total Mutual Funds	2,876,655	-	2,876,655
Stable Value Fund (a)	-	1,253,195	1,253,195
Common Stock	-	436,050	436,050
Total	$ 2,876,655	$ 1,689,245	$ 4,565,900

(a) The INVESCO Stable Value Fund is collective trust fund that seeks to maximize current income consistent with the maintenance of principal and to provide for withdrawals for certain participant-directed transactions under the Plan without penalty or adjustment. This fund is primarily invested in guaranteed investment contracts and synthetic investment contracts. Participant-directed redemptions have no restrictions. The fair value of this fund has been estimated based on the fair value of the underlying investment contracts in the fund as reported by the issuer of the fund.

4. INVESTMENTS

The Plan's investments that represented five percent or more of the Plan's net assets available for benefits as of December 31, 2012 and 2011 are as follows:

	2012	2011
American Capital World G&I Fund, Class R-5	$ 478,427	$ 477,692
Janus Balanced Fund	360,043	378,414
JP Morgan Growth Advantage Fund	278,323	289,957
Loomis Sayles Value	485,255	439,500
Perkins Mid Cap Value, Class T	351,910	343,025
Vanguard Index 500 Investor Fund	407,387	431,492
INVESCO Stable Value Fund	982,392	1,253,195
PIMCO Total Return	282,612	-
Peoples First Properties, Inc. Common Stock^	-	436,050

^ non-participant directed

5. NON-PARTICIPANT DIRECTED INVESTMENTS

Information about the net assets as of December 31, 2012 and 2011 and the significant components of changes in net assets related to the nonparticipant-directed investment is as follows:

	2012	2011
Peoples First Properties, Inc. Common Stock	$ -	$ 436,050
Beginning of the year, balance	$ 436,050	$ 835,014
Distributions	(4,550)	(33,899)
Net depreciation in fair value	(431,500)	(365,065)
End of the year, balance	$ -	$ 436,050

6. INSURANCE CLAIM RECEIVABLE

The Plan filed a claim to recover misappropriated funds by embezzlement under its fidelity policy (see Note 7). An initial settlement of $1,348,835 was received from the insurer on or about June 14, 2013.

7. FRAUDULENT DISCOVERIES

On or about March 16, 2012, the Company discovered that an employee (the "Employee") likely engaged in conduct constituting fraud, embezzlement, misappropriation of funds and/or breach of duties relating to the Plan. An investigation revealed that at least $1.7 million was misappropriated from November 2005 until the discovery of the misappropriation in March 2012.

The Company believes that the Employee acted alone. The Employee was terminated on March 19, 2012 by the Company.

The Company contacted the Panama City, Florida Police Department (the "Panama City Police Department") immediately upon discovering the misappropriation of funds from the Plan. The Employee was arrested by the Panama City Police Department of March 19, 2012. The matter was subsequently referred to the U.S. Department of Labor Employee Benefits Security Administration and the U.S. Department of the Treasury Internal Revenue Service – Criminal Investigation. As a result of an investigation by these government agencies, a federal Grand Jury returned an indictment charging the Employee with 67 counts of theft from an employee pension plan and tax evasion on August 22, 2012.

On April 12, 2012, the Plan initiated a lawsuit to recover the misappropriation of losses and related damages from the Employee arising from wrongful acts and conduct during the Employee's employment and asserting claims for conversion and civil theft.

The Company has filed a claim under its crime policy to recover the misappropriation losses resulting from the suspected embezzlement and related wrongful actions. An initial settlement of $1,382,306 was received from the insurer on or about June 14, 2013.

The U.S. Department of Labor Employee Benefits Security Administration is currently conducting a civil investigation of the Plan.

8. DEPARTMENT OF LABOR ("DOL") REVIEW

By a letter dated December 17, 2009, the DOL initiated an examination of the Plan. The DOL reported findings to the Plan by a letter dated October 31, 2011. The central assertions by the DOL were that (1) the Plan trustees violated their fiduciary obligations because the Plan failed to take minority discounts and lack of marketability discounts when buying Company stock, (2) the Plan violated a certain prohibited transactions of ERISA Section 408 related to the acquisition or sale by the Plan of qualified employer securities with a party in interest, because certain transactions were not for adequate consideration, and (3) the Plan trustees violated ERISA Section 404(a)(1)(D) by not following certain Plan provisions governing the distribution of Plan benefits.

On November 9, 2011, the Plan responded refuting the fiduciary (ERISA) violations alleged in the DOL's October 31, 2011 letter. The Plan trustees believe that an ERISA violation did not occur and that it properly relied upon valuations completed by an outside consulting firm engaged by the Company to appraise the Company Stock. The Plan has received indications form the DOL, although formal notice has not yet been received, that the DOL has some continuing issues with the initial defense of the Company set forth in the November 9, 2011 letter and the DOL is planning to incorporate remaining issues into a findings letter with regard to the Plan now that the examination has broadened to include issues related to the fraudulent discoveries noted in Note 7. Likewise, the Company believes that the Plan trustees did not violate ERISA Section 404(a)(1)(D) because they did in fact abide by applicable Plan language. It remains uncertain as to how the DOL will find with respect to these issues in view of the November 9, 2011 letter sent to the DOL. The Plan trustees agreed to an extension of the statute of limitations with the DOL to January 31, 2014. This additional time will be used to facilitate the exchange of information and consideration of possible corrections for the proposed ERISA violations.

9. INCOME TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated February 7, 2002, that the Plan and related trust were designed in accordance with the applicable regulations of the Internal Revenue Code ("IRC"). The Plan has been amended and restated since receiving the opinion letter and submitted a determination letter request to the IRS which is pending. However, the Plan administrator believes that the Plan is currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provisions for income taxes have been included in the Plan's financial statements.

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 IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2012, there are no uncertain positions taken or expected to be taken. 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.

10. CANCELLATION OF DEBT

As of December 31, 2011, a note payable to People First Properties, Inc. in the amount of $62,482 was reflected in the balance sheet as accounts payable. During 2012, management of People First Properties, Inc. evaluated the note and elected to cancel the debt.

11. ADMINISTRATIVE COSTS

During the year ended December 31, 2012, the Peoples First Properties Retirement Savings Plan incurred administrative costs of $31,863. These administrative fees were paid by Peoples First Properties Retirement Savings Plan.

12. 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% vested in their accounts.

13. EXEMPT PARTY IN INTEREST TRANSACTIONS

As of December 31, 2012 and 2011, the Plan held 503,238 Company shares (fair value $0) and 507,035 Company shares (fair value $436,050), respectively. There were no dividends paid for the year ended December 31, 2012.

14. SUBSEQUENT EVENTS

The Plan filed a claim to recover misappropriated funds by embezzlement under its fidelity policy (see Note 7). An initial settlement of $1,348,835 was received from the insurer on or about June 14, 2013.

Management has evaluated subsequent events through September 26, 2013, which is the date the financial statements were available to be issued, and have determined that there are no additional subsequent events that require disclosure under the Subsequent Events topic of ASC 855, *Subsequent Events*.

15. **RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500**

The following is a reconciliation of net assets available for plan benefits and the net increase in net assets per the financial statements to the Form 5500:

	December 31, 2012
Net assets available for benefits per the financial statements	$ 5,737,736
Adjustment in fair value of company stock	432,784
Adjustment for insurance receivable	(1,348,835)
Adjustment from contract value to fair value for interest in collective trust relating to fully benefit-responsive investment contracts	36,102
Other adjustments (net)	6,166
Net assets available for benefits per the Form 5500	$ 4,863,953

Net increase in net assets per the financial statements	$ 858,028
Adjustment for insurance recovery	(1,489,687)
Adjustment in fair value of company stock	431,500
Adjustment for cancellation of debt	(62,482)
Adjustment for appreciation in fair value of mutual funds	228,195
Other adjustments (net)	18,691
Net decrease in net assets per the Form 5500	$ (15,755)

SUPPLEMENTARY INFORMATION

Attachment to Form 5500
Schedule C, Part I - Line 2(h) - Formula Description

Plan Sponsor's Name:	**Peoples First Properties**
Employer Identification Number:	**59-3020789**
Name of Plan:	**Peoples First Properties Retirement Savings Plan**
Three-digit plan number:	**002**
Plan Year Beginning:	**January 1, 2012**
Plan Year Ending:	**December 31, 2012**

Financial advisor indirect compensation is paid per investment option prospectus or contract and may include finder's fees of 1% on new purchases in addition to the distribution fee rates listed below.

Source of Indirect Compensation	Fund ID	Fund Name	Distribution Fee Formula
Ariel Funds	CAAPX	Ariel Appreciation Fund	0.25 %
Invesco Distributors	VASCX	Invesco Small Cap Discovery - A	0.25 %
John Hancock Funds	USGLX	John Hancock US Global Leaders Growth Fund	0.25 %
JPMorgan Distribution Services	VHIAX	JPMorgan Growth Advantage - A	0.25 %
Loomis Sayles Funds	LSVRX	Loomis Sayles Value Fund	0.25 %
Loomis Sayles Funds	LBFAX	Loomis Sayles Bond Fund	0.25 %
PIMCO Investments	PTTAX	PIMCO Total Return - A	0.25 %
RS Funds	RSEGX	RS Small Cap Growth Fund	0.25 %

PEOPLES FIRST PROPERTIES RETIREMENT SAVINGS PLAN
SCHEDULE H, LINE 4 – SCHEDULE OF ASSETS HELD AT YEAR END
December 31, 2012

a.	b. Identity of issue, borrower, lessor, or similar party	c. Description of investment including maturity date, rate of interest, collateral par or maturity value	d. Cost	e. Current value
	American Capital World G&I Fund, Class R-5	Mutual fund	**	$ 478,427
	InterServ, LLC 2011-2020 Moderate MAP-PF Fund	Mutual fund	**	213
	InterServ, LLC 2021-2030 Conservative MAP-PF Fund	Mutual fund	**	1,943
	InterServ, LLC 2031-2040 Conservative MAP-PF Fund	Mutual fund	**	592
	InterServ, LLC 2041-2050 Conservative MAP-PF Fund	Mutual fund	**	209
	Invesco Van Kampen Small Cap Growth Fund, Class A	Mutual fund	**	53,406
	Janus Balanced Fund	Mutual fund	**	360,043
	JP Morgan Growth Advantage Fund	Mutual fund	**	278,323
	Loomis Sayles Value Fund	Mutual fund	**	485,255
	Northern Small Cap Value Fund	Mutual fund	**	12,695
	Oppenheimer Developing Markets Fund	Mutual fund	**	151,700
	Perkins Mid Cap Value, Class T	Mutual fund	**	351,910
	PIMCO Total Return Fund	Mutual fund	**	282,612
	T Rowe Price Financial Services Fund	Mutual fund	**	70,667
	Vanguard Index 500 Investor Fund	Mutual fund	**	407,387
	INVESCO Stable Value Fund	Common collective trust fund	**	982,392
*	Peoples First Properties, Inc.	Common stock	$ 884,021	-
	Total Investments, at fair value			$ 3,917,774
*	Total Participant Loans	Rates range from 3.25% to 8.25% with various maturities		$ 504,548

* Party in Interest
** Participant directed, cost not required