Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2012

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
INNOVATIVE PRODUCE, INC. 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2010

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

INNOVATIVE PRODUCE, INC.

POST OFFICE BOX 1952
SANTA MARIA, CA 93456-1952

1615 WEST MAIN STREET
SANTA MARIA, CA 93458

2b Employer Identification Number (EIN)
80-0314690

2c Sponsor's telephone number
805-928-1590

2d Business code (see instructions)
111210

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	DEBORAH A. ADAM
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Preparer's telephone number (optional)

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

INNOVATIVE PRODUCE, INC.

POST OFFICE BOX 1952
SANTA MARIA, CA 93456-1952

3b Administrator's EIN
80-0314690

3c Administrator's telephone number
805-928-1590

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**	104
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**	83
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	2
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	85
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	85
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	22
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2E 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)	☐	0	**A** (Insurance Information)
(4)	☒		**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 INNOVATIVE PRODUCE, INC. 401(K) PLAN	**B** Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 INNOVATIVE PRODUCE, INC.	**D** Employer Identification Number (EIN) 80-0314690

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

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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)

CURATOR ADVISORY, LLC.

77-0582500

(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?
28	INVESTMENT MGR	2212	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

FTJ FUND CHOICE

43-1936221

(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	RECORDKEEPER	1650	Yes [ ] No [X]	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

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
INNOVATIVE PRODUCE, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
INNOVATIVE PRODUCE, INC.

D Employer Identification Number (EIN)
80-0314690

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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	4707	1084
(2) Participant contributions	1b(2)	6206	3605
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	0	0
(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)	200352	349506
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	211265	354195
Liabilities			
g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	882
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	882
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	211265	353313

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)	39273	
(B) Participants	2a(1)(B)	84265	
(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)		123538
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)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		34269
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		157807

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	11892	
(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)		11892
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	3867	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		3867
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		15759

Net Income and Reconciliation

k Net income (loss). Subtract line **2j** from line **2d**	2k		142048
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) [X] 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 [X] No

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

(1) Name: MIKE EDWARDS, CPA **(2)** EIN: 95-4108809

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		250000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ **Yes** ☒ **No**

If "Yes," enter the amount of any plan assets that reverted to the employer this year **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
INNOVATIVE PRODUCE, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
INNOVATIVE PRODUCE, INC.

D Employer Identification Number (EIN)
80-0314690

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): 27-1822684

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):

Innovative Produce, Inc. 401(k) Plan

December 31, 2012

Financial Statements

With

Independent Auditors' Report

INNOVATIVE PRODUCE, INC. 401(k) PLAN

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2012

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FRAZER, LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITORS' REPORT

To the Trustee, Board of Directors, and Plan Administrator
Innovative Produce, Inc. 401(k) Plan
Santa Maria, CA

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Innovative Produce, Inc. 401(k) Plan, which comprise the statements 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 our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Innovative Produce, Inc. 401(k) Plan as of December 31, 2012 and the changes in its net assets available for benefits for the year then ended in accordance with accounting principles generally accepted in the United States of America.

FRAZER, LLP
Certified Public Accountants and Consultants

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Assets (Held at End of Year), referred to as "supplemental information," is presented for the purpose of additional analysis and are not a required part of the financial statements but are supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

The form and content of the information included in the 2012 financial statements and supplemental schedules, 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.

Other Matter – 2011 Financial Statements

The financial statements of the Plan as of December 31, 2011, were audited by other auditors. Their report, dated October 3, 2012, indicated that the financial statements present fairly, in all material respects, the net assets available for benefits of the Innovative Produce, Inc., 401(k) Plan as of December 31, 2011 and the changes in net assets available for benefits for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Frazer, LLP

October 8, 2013
Visalia, California

2250 W. Main St. | Visalia, CA 93291 | Office: 559.732.4135 | Fax: 559.732.7140 | www.frazerllp.com

Frazer, LLP is an independent firm associated with Moore Stephens

INNOVATIVE PRODUCE, INC. 401(k) PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2012 AND 2011

	2012	2011
ASSETS:		
INVESTMENTS AT FAIR VALUE:		
Registered investment companies, at fair value	$ 349,506	$ 200,352
RECEIVABLES:		
Employer contributions	1,084	4,707
Participant contributions	3,605	6,206
Total receivables	4,689	10,913
Total assets	354,195	211,265
LIABILITIES:		
Excess deferral payable	882	0
Total liabilities	882	0
NET ASSETS AVAILABLE FOR BENEFITS	$ 353,313	$ 211,265

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

INNOVATIVE PRODUCE, INC. 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2012

ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Net increase in fair value of investments	$	34,269
Participant contributions		84,265
Employer contributions		39,273
Total additions		157,807
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants		11,892
Administrative expenses		3,867
Total deductions		15,759
NET INCREASE		142,048
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year		211,265
End of year	$	353,313

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

Note 1 - Summary of significant plan provisions

The following description of the Innovative Produce, Inc. 401(k) 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 401(k) profit sharing and safe harbor 401(k) plan sponsored by Innovative Produce, Inc. (a C Corporation) and was established in 2010. Innovative Produce, Inc. has been designated as the Plan Administrator.

The plan is a multiple Employer plan consisting of: Innovative Produce, Inc. and Faith Farming, LLC. The multiple Employers are collectively referred to as the "Company" and the "Employer" throughout the notes to the financial statements.

The Company may make two types of contributions to the Plan, a 401(k) matching contribution and a discretionary profit sharing contribution, in an amount as determined by the board of directors of each Employer.

Eligibility

All employees, not covered by a collective bargaining agreement, who have one year of service and are 21 years of age or older are eligible to participate in the Plan. Participation in the Plan is voluntary and eligible employees may enter the Plan on the first day of each plan year and the first day of the seventh month of each plan year. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Under the provisions of the Plan, the Company's 401(k) matching contributions shall not exceed an amount, which constitutes an allowable tax deduction under 404(a) of the Internal Revenue Code. The amount of the matching contribution, if any, shall be determined by the Employer and shall be announced on or before March 31st of the following year. The Employer shall determine the matching contribution at a specified ratio up to a predetermined percentage of pre-tax contributions that were contributed but not withdrawn for the calendar year. In addition to or instead of its matching contribution, the Employer may make discretionary contributions to the Plan on behalf of its eligible participants in such amounts, if any, as shall be determined from time to time by the board of directors of each Employer. Salary deferrals in excess of 5% of Plan Compensation are not eligible for a matching contribution.

To be eligible to participate in the allocation of the Company's discretionary contributions, participants must be employed on the last day of the Plan year. However, if a Participant is not eligible to share in the allocation of matching or discretionary contributions solely because the participant is not employed by the Employer on the last day of the plan year, the participant shall be eligible to share in such allocations if the participant completes 1,000 or more hours of service during such plan year.

Note 1 - Summary of significant plan provisions, (continued)

Contributions, (continued)

Each participant may make contributions during any period for which they receive compensation from the Company in the maximum amount of 22% or $17,000 in 2012. Participants age 50 or older may elect to defer additional "catch up" contributions to the Plan of up to $5,500 for 2012.

For the year ended December 31, 2012, Innovative Produce, Inc. and Faith Farming, LLC made 401(k) matching contributions up to 5%. There were no discretionary profit sharing contributions made for the year ended December 31, 2012.

Participant accounts

Each participant account is credited with participant contributions and plan income. Allocation of plan income is based on the participant's account balance, as defined.

Vesting

Each participant is fully vested in all Employee contributions. Vesting of the Employer discretionary contributions is based upon the participant's years of service (defined as a 12-month period with at least 1,000 hours of service) with the Employer as follows:

Years of Service	Percentage
0 - 2 years	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 but less than 6	80%
6 or more	100%

Participants may also become fully vested when the Employee attains the age of 65, dies, or becomes permanently disabled while employed by the Employer.

Notes receivable from participants

The Plan does not allow participants to take a loan from the Plan.

Payment of benefits

Upon termination of service, a participant will receive as benefits either a lump sum amount equal to the value of the participant's vested interest in his/her account, or optional forms of benefits in accordance with the Plan.

Note 1 - Summary of significant plan provisions, (continued)

Plan termination

Although it has not expressed such intent, the Company reserves the right, at any time, to amend or terminate the Plan by action of its Board of Directors. Upon termination of the Plan, further contributions to the Plan shall cease and all participants who are affected by such termination shall become 100% vested. The assets of the Plan would be distributed to the participants based on each individual participant's interest in the Plan.

Forfeitures

Forfeitures of terminated participants' non-vested account balances are added to future Employer profit sharing contributions. At December 31, 2012, there were no outstanding forfeitures.

Note 2 - Summary of significant accounting policies

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and present the net assets available for benefits and changes in those net assets.

Cash and cash equivalents

Cash equivalents are carried at cost, which approximates market. The Employer considers all highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan Administrator to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Plan Administrator believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

Plan administration

The Company is the Plan Sponsor and the Plan Administrator. The Plan Administrator is responsible for carrying out the duties imposed under ERISA.

Note 3 - Fair value measurements

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). 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; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specific (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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The 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:

Registered investment companies: Valued at quoted market prices on the last business day of the Plan year.

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

Investments measured at fair value on a recurring basis consisted of the following types of instruments as of December 31, 2012:

Investments	Level 1	Level 2	Level 3	Total
Registered investment companies	$ 349,506	$ -	$ -	$ 349,506
Totals	$ 349,506	$ -	$ -	$ 349,506

Note 4 - Investments

The investments in mutual funds are stated at current market value. The Plan's custodian provides fair values of mutual funds based on quotations from national exchanges for a majority of the assets.

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion on fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Net change in fair value includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

Note 5 - Administrative expense

As allowable under the Plan, certain costs associated with the Plan's administration are paid from Plan assets.

Note 6 - Allocation of the Plan assets

Contributions are allocated to the various funds based on elections made by the participants. At the end of each plan year, each fund's assets are adjusted to current market value. The net market value increase or decrease is allocated proportionately to each participant's account based on the value of the participant's investment in that fund, compared to the total of all participant investments in that fund as of the end of the previous plan year adjusted for contributions, distributions and transfers. Participants are assigned one unit of value for each $1 of their asset balance.

Note 7 - Tax status

The Internal Revenue Service issued its latest determination letter on August 18, 2010, which stated that the Plan and its underlying trust qualify under Sections 401(a) and 401(k) of the Internal Revenue Code, and therefore, is exempt from federal income taxes under provision of Section 501(a). Management of the Company and the Plan Administrator believe that the Plan for the year ended December 31, 2012 was designed and operated in compliance with the applicable requirements of the Internal Revenue Code. Based upon certifications made by the Plan Administrator, administration errors, if any that are insignificant or operational in nature, are handled by the Plan Administrator in accordance with applicable Internal Revenue Service correction policies. Therefore, no provision for income taxes has been included in the Plan's financial statements.

No penalties or interest related to income taxes have been incurred during the year ended December 31, 2012. As of December 31, 2012, federal tax returns filed for 2010, 2011 and 2012 remain subject to examination by the taxing authorities.

Note 8 - Valuation of investments

The following table summarizes investments measured at fair value based on net asset value (NAVs) per share as of December 31, 2012 and 2011. Fair values of investments that represent five percent or more of the Plan's net assets available for benefits are identified by an asterisk (*):

December 31, 2012

	Description	Amount	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
	FTJ Funds Choice:				
	AQR N Diversified Arbitrage	$ 8,490	n/a	Daily	1 day
	Arbitrage R Fund	8,401	n/a	Daily	1 day
	BBH Core Select	6,973	n/a	Daily	1 day
	Brandywine Blue Fund	13,467	n/a	Daily	1 day
	Clipper Fund	8,796	n/a	Daily	1 day
*	DoubleLine I Total Return Bond	37,754	n/a	Daily	1 day
	Eaton Vance I Structured	16,359	n/a	Daily	1 day
	Fairholme Fund	8,287	n/a	Daily	1 day
	FMI Large Cap Fund	7,686	n/a	Daily	1 day
	FPA New Income	15,341	n/a	Daily	1 day
	Harbor International	12,756	n/a	Daily	1 day
	Lazard Intl Strategy Equity Intl	12,933	n/a	Daily	1 day
	Longleaf Partners Fund	12,241	n/a	Daily	1 day
*	Loomis Sayles I Bond	24,652	n/a	Daily	1 day
*	Oakmark Global	22,176	n/a	Daily	1 day
	Oakmark Select	8,951	n/a	Daily	1 day
*	Osterweis Strategic Income	25,011	n/a	Daily	1 day
	PIMCO Emerging Local Bond	14,142	n/a	Daily	1 day
*	PIMCO Total Return Inst	20,629	n/a	Daily	1 day
*	OUNCI Unconstrained Bond	19,579	n/a	Daily	1 day
	SSgA Emerging Markets	14,613	n/a	Daily	1 day
	Touchstone Sands Capital Inst. Growth	13,984	n/a	Daily	1 day
	Vanguard Funds European Stock Index Signal Shs	7,454	n/a	Daily	1 day
	Vanguard Prime Money Market	5,365	n/a	Daily	1 day
	Westport I Select Cap	3,466	n/a	Daily	1 day
	Total	$ 349,506			

NOTES TO THE FINANCIAL STATEMENTS

Note 8 - Valuation of investments, (continued)

December 31, 2011

	Description	Amount	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
	FTJ Funds Choice:				
	AQR N Diversified Arbitrage	$ 5,088	n/a	Daily	1 day
	Arbitrage R Fund	5,197	n/a	Daily	1 day
	BBH Core Select	5,456	n/a	Daily	1 day
	Brandywine Blue Fund	8,830	n/a	Daily	1 day
	Clipper Fund	6,323	n/a	Daily	1 day
*	DoubleLine I Total Return Bond	21,903	n/a	Daily	1 day
	Fairholme Fund	4,814	n/a	Daily	1 day
	FMI Largre Cap Fund	5,580	n/a	Daily	1 day
	FPA New Income	10,217	n/a	Daily	1 day
	Harbor International	5,761	n/a	Daily	1 day
	Longleaf Partners Fund	10,090	n/a	Daily	1 day
*	Loomis Sayles I Bond	16,540	n/a	Daily	1 day
*	Oakmark Global	11,503	n/a	Daily	1 day
	Oakmark Select	6,274	n/a	Daily	1 day
*	Osterweis Strategic Income	14,634	n/a	Daily	1 day
	PIMCO Emerging Local Bond	10,019	n/a	Daily	1 day
*	PIMCO Total Return Inst	12,463	n/a	Daily	1 day
	PIMCO Unconstrained Bd	11,118	n/a	Daily	1 day
	Spartan Emerging Mkt	8,423	n/a	Daily	1 day
	Thornburg Intl Value I	5,626	n/a	Daily	1 day
*	Touchstone Sands Capital Inst. Growth	10,746	n/a	Daily	1 day
	Vanguard Prime Money Market	1,704	n/a	Daily	1 day
	Westport I Select Cap	2,043	n/a	Daily	1 day
	Total	$ 200,352			

Note 8 - Valuation of investments, (continued)

The net increase in the fair value of investments for 2012 consisted of the following:

Description		Gain
FTJ Funds Choice:		
AQR N Diversified Arbitrage	$	189
Arbitrage R Fund		33
BBH Core Select		963
Brandywine Blue Fund		567
Clipper Fund		802
DoubleLine I Total Return Bond		2,531
Eaton Vance I Structured		1,222
Fairholme Fund		1,919
FMI Large Cap Fund		799
FPA New Income		286
Harbor International		1,905
Lazard Intl Strategy Equity Intl		2,013
Longleaf Partners Fund		1,683
Loomis Sayles I Bond		2,755
Oakmark Global		3,114
Oakmark Select		1,397
Osterweis Strategic Income		1,562
PIMCO Emerging Local Bond		1,630
PIMCO Total Return Inst		1,563
PIMCO Unconstrained Bond		1,266
Spartan Emerging Mkt Index		972
SSgA Emerging Markets		1,159
Thornburg Intl Value I		27
Touchstone Sands Capital Inst. Growth		2,506
Vanguard Funds European Stk Index Signal Shs		1,239
Vanguard Prime Money Market		1
Westport I Select Cap		166
Total	$	34,269

Note 9 - Subsequent events

Management of the Plan evaluated the events and transactions subsequent to its December 31, 2012 financial statement date and, in accordance with FASB ASC 855-10-50, *Subsequent Events,* determined there were no significant events necessary for disclosure through October 8, 2013, which is the financial statement issue date.

INNOVATIVE PRODUCE, INC. 401(k) PLAN
PLAN NUMBER 001
EMPLOYER IDENTIFICATION NUMBER 80-0314690

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2012

(a)	(b) IDENTITY OF ISSUE, BORROWER, LESSOR OR SIMILAR PARTY	(c) DESCRIPTION	(d) COST	CURRENT (e) VALUE
	FTJ Fund Choice	AQR N Diversified Arbitrage	$ 8,490	$ 8,490
	FTJ Fund Choice	Arbitrage R Fund	8,401	8,401
	FTJ Fund Choice	BBH Core Select	6,973	6,973
	FTJ Fund Choice	Brandywine Blue Fund	13,467	13,467
	FTJ Fund Choice	Clipper Fund	8,796	8,796
	FTJ Fund Choice	DoubleLine I Total Return Bond	37,754	37,754
	FTJ Fund Choice	Eaton Vance I Structured	16,359	16,359
	FTJ Fund Choice	Fairholme Fund	8,287	8,287
	FTJ Fund Choice	FMI Large Cap Fund	7,686	7,686
	FTJ Fund Choice	FPA New Income	15,341	15,341
	FTJ Fund Choice	Harbor International	12,756	12,756
	FTJ Fund Choice	Lazard Intl Strategy Equity Intl	12,933	12,933
	FTJ Fund Choice	Longleaf Partners Fund	12,241	12,241
	FTJ Fund Choice	Loomis Sayles I Bond	24,652	24,652
	FTJ Fund Choice	Oakmark Global	22,176	22,176
	FTJ Fund Choice	Oakmark Select	8,951	8,951
	FTJ Fund Choice	Osterweis Strategic Income	25,011	25,011
	FTJ Fund Choice	PIMCO Emerging Local Bond	14,142	14,142
	FTJ Fund Choice	PIMCO Total Return Inst	20,629	20,629
	FTJ Fund Choice	PIMCO Unconstrained Bond	19,579	19,579
	FTJ Fund Choice	SSgA Emerging Markets	14,613	14,613
	FTJ Fund Choice	Touchstone Sands Capital Inst. Growth	13,984	13,984
	FTJ Fund Choice	Vanguard Funds European Stk Index Signal Shs	7,454	7,454
	FTJ Fund Choice	Vanguard Prime Money Market	5,365	5,365
	FTJ Fund Choice	Westport I Select Cap	3,466	3,466
	Total registered investment companies			
	Total investments		$ 349,506	$ 349,506

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

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
INNOVATIVE PRODUCE, INC. 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2010

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

POST OFFICE BOX 1952
SANTA MARIA CA 93456-1952

1615 WEST MAIN STREET
SANTA MARIA CA 93458

2b Employer Identification Number (EIN) 80-0314690

2c Sponsor's telephone number 805-928-1590

2d Business code (see instructions) 111210

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	Deborah A. Adam	10/11/13	DEBORAH A. ADAM
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Deborah A. Adam	10/11/13	DEBORAH A. ADAM
	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

INNOVATIVE PRODUCE, INC.

POST OFFICE BOX 1952

SANTA MARIA CA 93456-1952

3b Administrator's EIN 80-0314690

3c Administrator's telephone number 805-928-1590

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**	104
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**	83
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	2
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	85
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f	Total. Add lines **6d** and **6e**.	**6f**	85
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	22
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 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)

INNOVATIVE PRODUCE, INC. 401(k) PLAN
PLAN NUMBER 001
EMPLOYER IDENTIFICATION NUMBER 80-0314690

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
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