

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2013 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information								
1a Name of plan <u>KWRI 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>09/01/2006</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>09/01/2006</u>					
1b Three-digit plan number (PN) ▶	<u>001</u>								
1c Effective date of plan <u>09/01/2006</u>									
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>KELLER WILLIAMS REALTY, INC.</u> <u>1221 S. MOPAC EXPRESSWAY, SUITE 400</u> <u>AUSTIN, TX 78746</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>74-2756628</u></td> </tr> <tr> <td colspan="2">2c Sponsor's telephone number <u>512-327-3070</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>531210</u></td> </tr> <tr> <td colspan="2" style="height: 40px;"></td> </tr> </table>	2b Employer Identification Number (EIN) <u>74-2756628</u>		2c Sponsor's telephone number <u>512-327-3070</u>		2d Business code (see instructions) <u>531210</u>			
2b Employer Identification Number (EIN) <u>74-2756628</u>									
2c Sponsor's telephone number <u>512-327-3070</u>									
2d Business code (see instructions) <u>531210</u>									

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	<u>10/13/2014</u>	<u>ANN S. YETT</u>
	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	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
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	5 258
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 219
b Retired or separated participants receiving benefits	6b 3
c Other retired or separated participants entitled to future benefits.....	6c 64
d Subtotal. Add lines 6a , 6b , and 6c	6d 286
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e 0
f Total. Add lines 6d and 6e	6f 286
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 270
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2A 2E 2F 2G 2J 2K 2T 3D	

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

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2013
		This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>KWRI 401(K) PLAN</u>	B Three-digit plan number (PN) <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KELLER WILLIAMS REALTY, INC.</u>	D Employer Identification Number (EIN) <u>74-2756628</u>

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

RETIREMENT HORIZONS INC. 2201 TIMBERLOCH PLACE
SUITE 150
THE WOODLANDS, TX 77380

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

MAXWELL, LOCKE & RITTER, LLP 401 CONGRESS AVE.
SUITE 1100
AUSTIN, TX 78701

(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)

RETIREMENT HORIZONS INC

76-0551734

(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	NONE	2795	Yes ☐ No ☒	Yes ☐ No ☒		Yes ☐ No ☐

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

TD AMERITRADE

84-0519832

(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?
21	NONE	275	Yes ☒ No ☐	Yes ☒ No ☐	1992	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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2013 This Form is Open to Public Inspection
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>		
A Name of plan <u>KWRI 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KELLER WILLIAMS REALTY, INC.</u>	D Employer Identification Number (EIN) <u>74-2756628</u>	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	70081	100000
(2) Participant contributions	1b(2)	18	
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	392480	478603
(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)	121310	183451
(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)	11594674	15724924
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	12178563	16486978

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	12178563	16486978
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	821931	
(B) Participants	2a(1)(B)	1332347	
(C) Others (including rollovers)	2a(1)(C)	182043	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2336321
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	41	
(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)	7003	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		7044
(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)	481186	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		481186
(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)		2270349
c Other income	2c		1992
d Total income. Add all income amounts in column (b) and enter total	2d		5096892

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	782020	
(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)		782020
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		1395
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	2795	
(2) Contract administrator fees	2i(2)	2267	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		5062
j Total expenses. Add all expense amounts in column (b) and enter total	2j		788477

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		4308415
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

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

(1) Name: PMB HELIN DONOVAN, LLP

(2) EIN: 74-3001153

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

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

Part IV Compliance Questions

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

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a	X		4008
4b		X	

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

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

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

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

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>		<div>Retirement Plan Information</div> <div>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).</div> <div>► File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2013</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013					
A Name of plan KWRI 401(K) PLAN				B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 KELLER WILLIAMS REALTY, INC.				D Employer Identification Number (EIN) 74-2756628	
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	1395
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): 84-0519832					
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.					
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....				3	
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)					
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☐ No ☐ N/A					
If the plan is a defined benefit plan, go to line 8.					
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____					
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.					
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....				6a	
b Enter the amount contributed by the employer to the plan for this plan year.....				6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)				6c	
If you completed line 6c, skip lines 8 and 9.					
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?..... ☐ Yes ☐ No ☐ N/A					
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... ☐ Yes ☐ No ☐ N/A					
Part III Amendments					
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No					
Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.					
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☐ No					
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No					
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No					
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☐ Yes ☐ No					
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.					
Schedule R (Form 5500) 2013 v. 130118					

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): _____



KWRI 401(K) PLAN

Financial Statements and Supplemental Schedules
(With Independent Auditors'
Report Thereon)

December 31, 2013 and 2012



PMB Helin Donovan
CERTIFIED PUBLIC ACCOUNTANTS

KWRI 401(K) PLAN
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December 31, 2013 and 2012

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Independent Auditors' Report

To the Plan Administrator
The KWRI 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the KWRI 401(k) Plan (the Plan) which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note C, which was certified by TD AMERITRADE Trust Company, the Trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the Trustee as of and for the years ended December 31, 2013 and 2012, that the information provided to the Plan administrator by the Trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental schedules of Assets Held for Investment Purposes and Delinquent Participant Contributions as of and for the year ended December 31, 2013 are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on this supplemental schedules.

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

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

PMB HELIN DONOVAN, LLP

PMB Helin Donovan, LLP

Austin, Texas
October 6, 2014

KWRI 401(K) PLAN
Statements of Net Assets Available for Benefits
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Investments, at fair value		
Money market funds	\$ 478,603	\$ 392,480
Mutual funds	15,724,924	11,594,674
Total investments	<u>16,203,527</u>	<u>11,987,154</u>
Receivables		
Notes receivable from participants	183,451	121,310
Employer contributions receivable	100,000	70,081
Employee contributions receivable	-	18
Total receivables	<u>283,451</u>	<u>191,409</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 16,486,978</u>	<u>\$ 12,178,563</u>

The accompanying notes and independent auditors' report are an integral part of these financial statements

KWRI 401(K) PLAN
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2013

ADDITIONS:

Changes in net assets attributable to:

Investment gain:

Net appreciation in fair value of investments	2,519,996
Interest and dividends	231,580
Other income	1,992
Total investment income	<u>2,753,568</u>

Interest income on notes receivable from participants	7,003
---	-------

Contributions:

Participants	1,332,347
Rollover	182,043
Employer	821,931
Total contributions	<u>2,336,321</u>

Total additions	<u>5,096,892</u>
-----------------	------------------

DEDUCTIONS:

Deductions from net assets attributable to:

Benefits paid to participants	782,020
Deemed distributions	1,395
Plan expenses	5,062
Total deductions	<u>788,477</u>

NET INCREASE	4,308,415
--------------	-----------

NET ASSETS AVAILABLE FOR BENEFITS:

BEGINNING OF YEAR	12,178,563
END OF YEAR	<u><u>\$ 16,486,978</u></u>

The accompanying notes and independent auditors' report are an integral part of these financial statements

KWRI 401(K) PLAN
Notes to Financial Statements
December 31, 2013 and 2012

NOTE A-DESCRIPTION OF PLAN

The following description of KWRI (“Plan Sponsor” and “Company”) 401(k) Plan (“Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan covering all eligible employees of the Company. Participation in the Plan is at the election of the employee. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

Employee Contributions

Each year, participants may contribute the lesser of 100% of their eligible compensation or the maximum amount allowed by law (\$17,500 for 2013) of pretax annual compensation, as defined in the Plan. Participants may designate some or all of their contributions as post tax Roth deferrals. Once designated as a Roth deferral, this election is irrevocable and cannot be changed back to a pretax contribution. This Plan also allows for catch-up contributions for participants 50 years of age or older. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers nineteen mutual funds and one money market fund as investment options for the participants. The Plan maintains an additional money market fund as a holding account until participant contributions are allocated.

Newly eligible employees are automatically enrolled in the Plan unless they decline to participate. The default contribution rate for automatically enrolled employees is 4% of pay and the default investment election for employees who do not make their own investment election is the Normal Model Portfolio, a diversified mix of mutual funds invested 60% in stock funds and 40% in bond funds. The default fund is intended to meet the definition of a Qualified Default Investment Alternative.

Employer Contributions

The Company funded a matching contribution of up to 4% of eligible participant compensation for the year ended December 31, 2013. The Company also made discretionary non-elective profit sharing contributions to a select group of non-highly compensated employees. The Company contributions are invested pro-rata with the participant contributions. Contributions are subject to certain limitations. Any annual discretionary contribution from the Company that is due and payable is reflected as employer contributions receivable in the Plan’s financial statements.

Participant Accounts

Each participant’s account is credited with the participant’s contribution and allocations of (a) the Company’s matching contribution, (b) any employer discretionary contributions, and (c) the Plan’s earnings (losses). Allocations are based on participant compensation and contributions or account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

KWRI 401(K) PLAN
Notes to Financial Statements
December 31, 2013 and 2012
(Continued)

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to 50% of their total vested account balance or \$50,000, whichever is less. The notes are secured by the balance of the participant's account and bear interest at prime plus 1%. Currently the rate on all notes is 4.25%. All Plan notes must be repaid in five years, except those that are used for the purchase of a principal residence in which case the note can be extended to 30 years. In most cases repayment of the note will be made through after-tax payroll deductions.

Rollovers and Transfers

Participants who have a balance in another qualified employee benefit plan, as described in Section 401(a) of the Internal Revenue Code, may transfer or rollover the lump sum values of their account directly into the Plan, provided it meets the requirements of the Internal Revenue Code.

Vesting

Participants are immediately vested in their contributions, employer matching contributions, and any employer discretionary contributions, plus actual earnings thereon.

Payment of Benefits

Benefits become available to participants on the earliest of four events: (1) termination of employment, (2) death of the participant (benefits are payable to the participants spouse or beneficiary), (3) disability of the participant, or (4) the participant's retirement.

Terminating participants with balances under \$1,000 automatically receive a lump sum distribution unless they request a rollover distribution. If the participant's account balance exceeds \$1,000, the participant may choose to keep the funds in the Plan, request a direct rollover to another qualified plan, or take a lump sum distribution.

On termination of service due to death prior to retirement, the account balance is paid to the participant's spouse or beneficiary upon request. On termination of service due to retirement after age 65, the account balance is paid to the participant upon request.

Distributions During Employment

As a general rule, participant's contributions will remain in the Plan as long as the participant remains employed by the Company. The Plan does provide exceptions to this rule for withdrawals of the participant's contributions under certain circumstances (subject to the satisfaction of the Plan Administrator) that include the following:

- Medical expenses,
- Purchase of a principal residence,
- Post secondary education for participant or their dependents,
- To prevent eviction from or foreclosure on the participant's principal residence,
- Payment of funeral expenses for a member of the participant's family,
- Expenses for repair of damage to the participant's principal residence that would qualify for the casualty deduction under Code 165.

However, should a participant reach age 59 1/2 and not elect to terminate employment, the participant can take an in-service distribution from their vested account balance.

KWRI 401(K) PLAN
Notes to Financial Statements
December 31, 2013 and 2012
(Continued)

Plan Expenses

The expenses of operating and maintaining the Plan have been paid by the Company. In the event the Company does not continue to pay the Plan expenses, the Plan expenses will be paid by the Plan and charged on a pro-rata basis to the value of the participants' account balances.

NOTE B-SUMMARY OF 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 ("GAAP"). Investments are presented at fair value in accordance with GAAP as prescribed for defined contribution plans.

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 certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Income Recognition

The Plan presents in the statement of changes in net assets available for benefits the net appreciation or depreciation in the fair value of its investments, which consists of realized gains or losses and the unrealized appreciation or depreciation on those investments. Purchases and sales of securities are recorded on a settlement date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investment Valuation

Investments are reflected in the accompanying statements of net assets available for benefits at their estimated fair values. Fair value at December 31, 2013 and 2012, as determined by the Trustee, is based primarily on the quoted market prices of the underlying securities. Money market investments are valued at cost plus accrued earnings, which approximates fair value, as determined by the Trustee. Because of the inherent uncertainty of these valuations, the estimated values may differ from the actual fair values that may or may not be ultimately realized.

Certified Investments

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants held at December 31, 2013 and 2012, and net appreciation in fair value of investments, interest and dividends for the year ended December 31, 2013, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by TD AMERITRADE Trust Company (the Plan Trustee).

Administration

The Plan is administered by Keller Williams Realty, Inc. (the Plan Administrator). The Plan is advised by ML&R Wealth Management, LLC (the Plan Financial Advisor). The records of the Plan are maintained by Retirement Horizons, Inc. (the Plan Recordkeeper). Plan assets are held by TD AMERITRADE Trust Company (the Plan Trustee). The financial records of the Plan are also maintained by the Plan Trustee.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid balance plus any accrued but unpaid interest. Delinquent participant loans are classified as distributions based upon the terms of the plan document.

KWRI 401(K) PLAN
Notes to Financial Statements
December 31, 2013 and 2012
(Continued)

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

Expenses, incidental to the administration of the Plan, such as trustee, recordkeeping, legal, accounting and auditing fees, are paid by the Company. Certain transaction processing fees are charged to the participants and, therefore, are reflected in the accompanying statement of changes in net assets available for benefits as administrative expenses.

Income Tax

GAAP requires The Plan Sponsor to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2010.

Risks and Uncertainties

The Plan provides for investment in mutual funds. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risks associated with certain investment securities, it is 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 statement of net assets available for benefits.

Subsequent Events

The Company evaluates events that occur subsequent to the balance sheet date of periodic reports, but before financial statements are issued for periods ending on such balance sheet dates, for possible adjustment to such financial statements or other disclosure. This evaluation generally occurs through the date at which the Company's financial statements are electronically prepared for filing with Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. For the financial statements as of and for the period ending December 31, 2013, this date was October 6, 2014.

NOTE C-INVESTMENTS (UNAUDITED)

The following presents investments that represent five percent or more of the Plan's net assets at December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
<i>Mutual funds</i>		
DFA One-Year Fixed-Income I	\$ 1,708,617	\$ 1,326,830
DFA Intermediate Government Fixed-Income I	1,564,326	1,154,905
DFA U.S. Micro Cap I	1,110,500	798,017
DFA U.S. Small Cap Value I	1,194,864	842,894
DFA U.S. Large Cap Value III	1,892,058	1,374,802
DFA International Value III	1,049,013	781,732
DFA International Small Cap Value I	1,151,474	902,599
Vanguard 500 Index Signal	2,651,818	1,908,627

During 2013, the Plan's mutual fund investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$2,519,996.

KWRI 401(K) PLAN
Notes to Financial Statements
December 31, 2013 and 2012
(Continued)

The Plan Administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Plan Trustee has certified that the following data included in the accompanying financial statements and supplemental schedule are complete and accurate:

- a. Investments, as shown in the Statements of Net Assets Available for Benefits, as of December 31, 2013 and 2012.
- b. Net appreciation in fair value of investments, interest, and dividends, as shown in the Statement of Changes in Net Assets Available for Benefits, for the year ended December 31, 2013.
- c. The Schedule of Assets Held for Investment Purposes at End of Year as of December 31, 2013, as shown in the attached schedule at page 12.

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

NOTE D-FAIR VALUE OF INVESTMENTS

ASC Topic 820, Fair Value Measurement and Disclosures, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. This topic also establishes a fair value hierarchy which requires classification based on observable and unobservable inputs when measuring fair value. The fair value hierarchy distinguishes between assumptions based on market data (observable inputs) and an entity's own assumptions (unobservable inputs). The hierarchy consists of three levels:

- Level one — Quoted market prices in active markets for identical assets or liabilities;
- Level two — Inputs other than level one inputs that are either directly or indirectly observable; and
- Level three — Unobservable inputs developed using estimates and assumptions, which are developed by the reporting entity and reflect those assumptions that a market participant would use.

The following table presents the assets and liabilities that are measured at fair value on a recurring basis by level within the fair value hierarchy as reported on the statements of net assets available for benefits at December 31, 2013 and 2012. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

KWRI 401(K) PLAN
Notes to Financial Statements
December 31, 2013 and 2012
(Continued)

Fair Value Measurements at Reporting Date Using:				
	December 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Investment securities:				
Money market	\$ 478,603	\$ 478,603	\$ -	\$ -
Mutual funds				
Index	3,300,291	3,300,291	-	-
Growth	548,957	548,957	-	-
Fixed income	3,599,206	3,599,206	-	-
International	3,121,583	3,121,583	-	-
Other equity	4,344,097	4,344,097	-	-
Other	810,790	810,790	-	-
Total investments	<u>\$ 16,203,527</u>	<u>\$ 16,203,527</u>	<u>\$ -</u>	<u>\$ -</u>

Fair Value Measurements at Reporting Date Using:				
	December 31, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Investment securities:				
Money market	\$ 392,480	\$ 392,480	\$ -	\$ -
Mutual funds				
Index	2,412,665	2,412,665	-	-
Growth	334,738	334,738	-	-
Fixed income	2,731,809	2,731,809	-	-
International	2,371,127	2,371,127	-	-
Other equity	3,127,143	3,127,143	-	-
Other	617,192	617,192	-	-
Total investments	<u>\$ 11,987,154</u>	<u>\$ 11,987,154</u>	<u>\$ -</u>	<u>\$ -</u>

The investments are reported at fair value utilizing Level 1 inputs. The prices for these instruments are obtained through the Plan Trustee with whom the Plan has historically transacted both purchases and sales of investment securities. The fair value measurements consider observable data that may include market quotes, market spreads, cash flows, and the current participant note receivable rates offered, among other things. Management reviews the data and assumptions used in pricing the securities by its third party providers to ensure the lowest level of significant input is market observable data.

NOTE E-NON-PARTICIPANT DIRECTED INVESTMENTS

The Plan's participants direct all investments. There are no non-participant directed investments as of December 31, 2013 and 2012, with the exception of default investments made by the Plan, on behalf of automatically enrolled participants who don't make their own investment election, as discussed in Note A.

KWRI 401(K) PLAN
Notes to Financial Statements
December 31, 2013 and 2012
(Continued)

NOTE F-RELATED PARTY TRANSACTIONS

The Plan Sponsor provided certain Plan administrative services without compensation during the twelve month period ended December 31, 2013. During 2013, the Plan Sponsor paid \$12,400 to the Plan Recordkeeper and \$54,119 to the Plan Financial Advisor.

NOTE G-PLAN TERMINATION

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

NOTE H-TAX STATUS

The Internal Revenue Service determined and informed the Company by a letter dated January 11, 2002, that the Plan and related trust were designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the Plan Administrator believes that the Plan is designed and is currently being operated in accordance with the applicable requirements of the IRC.

NOTE I-FIDELITY BOND

The Plan was covered by a fidelity bond which automatically increases that Limit of Liability to equal the amount required under ERISA at the beginning of the Insured Plan's fiscal year or \$500,000, whichever is less during 2013. As of December 31, 2013, the Company was in compliance with the ERISA bonding requirements.

KWRI 401(K) PLAN
Schedule of Assets Held for Investment Purposes at End of Year
Schedule H, Line 4i
December 31, 2013

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lesser of Similar Party	Description of Investment including Maturity Date, Rate of Interest, Collateral, Par of Maturity Value	Cost	Current Value
	Money Market Funds			
*	TD AMERITRADE Trust Company	TD Bank USA Money Market Demand Account		81,931
		TD Bank USA Institutional Money Market		396,672
		Total money market funds	**	<u>478,603</u>
	Mutual Funds			
	American Funds	American Funds Europacific R6	**	246,698
		American Funds Growth Fund of America R6	**	357,614
	Davis New York	Davis New York Venture A	**	146,676
	Dimensional Fund Advisors	DFA One-Year Fixed-Income I	**	1,708,617
		DFA Intermediate Government Fixed-Income I	**	1,564,326
		DFA Real Estate Securities I	**	810,790
		DFA U.S. Micro Cap I	**	1,110,500
		DFA U.S. Small Cap Value I	**	1,194,864
		DFA U.S. Large Cap Value III	**	1,892,058
		DFA Emerging Markets	**	674,398
		DFA International Value III	**	1,049,013
		DFA International Small Cap Value I	**	1,151,474
	PIMCO	PIMCO Total Return A	**	135,856
	T. Rowe Price	T. Rowe Price New Horizons	**	191,343
	Vanguard	Vanguard 500 Index Signal	**	2,651,818
		Vanguard Growth Index Signal	**	153,180
		Vanguard Inflation Protected Securities	**	190,408
		Vanguard Mid Cap Index Signal	**	266,128
		Vanguard Small Cap Growth Index	**	229,163
		Total mutual funds		<u>15,724,924</u>
*	Participant Loans	4.25% interest, various maturity dates	**	<u>183,451</u>
	Total Assets Held for Investment Purposes			<u><u>\$ 16,386,978</u></u>
*	Party-in-interest			
**	Self-directed investment			

KWRI (K) PLAN
Supplemental Schedule – Delinquent Participant Contributions
Schedule H Line 4a
Year Ended December 31, 2013

	Total that Constitutes Nonexempt Prohibited Transactions				
Participant Contributions Transferred Late to the Plan	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Interest Funded	Total Fully Corrected Under VFCP and PTE 2002-51
\$ 4,008	\$ -	\$ -	\$ -	\$ 82	\$ 4,090



Authorization To File The Plan's Form 5500 Electronically

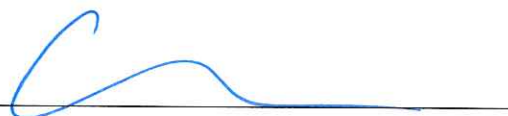
KWRI 401(k) Plan

Upon receipt of the signed Form 5500 and this signed authorization, permission is granted to Retirement Horizons Inc. (RHI) to electronically file the annual Form 5500 on behalf of the plan named above.

The Plan Administrator authorizes RHI to utilize its PIN to file the 5500 along with any applicable schedules for the Plan.

The Plan Administrator may revoke or change this authorization at any time via written notification to RHI.

Print Name: Ann S. Yett

Signature: 

Date: 10/12/14

Form 5500Department of the Treasury
Internal Revenue ServiceDepartment 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**2013****This Form is Open to Public Inspection****Part I Annual Report Identification Information**

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

- 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 KWRI 401(k) Plan**1b** Three-digit plan number (PN) ► 001**1c** Effective date of plan 09/01/2006**2a** Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)
Keller Williams Realty, Inc.**2b** Employer Identification Number (EIN)
74-2756628**2c** Sponsor's telephone number
(512) 327-3070**2d** Business code (see instructions)
531210

1221 S. Mopac Expressway, Suite 400

Austin

TX 78746

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		10/12/14	Ann S. Yeatt
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		10/12/14	Ann S. Yeatt
	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)

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2013)
v. 130118

KWRI 401(K) PLAN
Schedule of Assets Held for Investment Purposes at End of Year
Schedule H, Line 4i
December 31, 2013

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**	Self-directed investment			

KWRI (K) PLAN
Supplemental Schedule – Delinquent Participant Contributions
Schedule H Line 4a
Year Ended December 31, 2013

	Total that Constitutes Nonexempt Prohibited Transactions				
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KWRI (K) PLAN
Supplemental Schedule – Delinquent Participant Contributions
Schedule H Line 4a
Year Ended December 31, 2013

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