

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 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>TRI-STATE 401(K) SAVINGS 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>333</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1999</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>333</u>	1c Effective date of plan <u>01/01/1999</u>	
1b Three-digit plan number (PN) ▶	<u>333</u>				
1c Effective date of plan <u>01/01/1999</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>TRI-STATE EMPLOYMENT SERVICES, INC.</u> <u>160 BROADWAY</u> <u>SUITE 160</u> <u>NEW YORK, NY 10038</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>13-3703106</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>212-406-2740</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>551112</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>13-3703106</u>	2c Sponsor's telephone number <u>212-406-2740</u>	2d Business code (see instructions) <u>551112</u>	
2b Employer Identification Number (EIN) <u>13-3703106</u>					
2c Sponsor's telephone number <u>212-406-2740</u>					
2d Business code (see instructions) <u>551112</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.	10/14/2014	ROBERT CASSERA
	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	
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		3c Administrator's telephone number 4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year		5	1854
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	1400
b Retired or separated participants receiving benefits		6b	0
c Other retired or separated participants entitled to future benefits.....		6c	105
d Subtotal. Add lines 6a , 6b , and 6c		6d	1505
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		6e	0
f Total. Add lines 6d and 6e		6f	1505
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	368
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	5
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 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) ☐ <u>0</u> 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>TRI-STATE 401(K) SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>333</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>TRI-STATE EMPLOYMENT SERVICES, INC.</u>	D Employer Identification Number (EIN) <u>13-3703106</u>

Part I	Service Provider Information (see instructions)
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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)

BLUESTAR RETIREMENT SERVICES

59-3092339

(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?
13 15 37 38 50	NONE	78191	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

LPL FINANCIAL CORPORATION

95-2834236

(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?
26 50	NONE	15137	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

FIDUCIARY PARTNERS INVESTMENT CONSU

26-1370206

(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?
26 27 50	NONE	5546	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)

FIDUCIARY PARTNERS RETIREMENT GROUP

51-0595589

(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?
16 50	NONE	5273	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

TD AMERITRADE TRUST COMPANY

20-0937408

(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?
19 50	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	0	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
TD AMERITRADE TRUST COMPANY	19	5574
(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.	
TD BANK USA, NA 13-3732274	FORMULA: PE-BF-SA-I-RS = TDATC MARKETING FEE (PE=PORTFOLIO EARNINGS, BF=TD BANK USA FEE, SA=SPECIAL ASSESSMENTS CHARGED BY FDIC, I=INTEREST PAID TO PLAN, RS=35 BPS REVENUE SHARING PAID TO PLAN)	
(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) 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 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013		
A Name of plan TRI-STATE 401(K) SAVINGS PLAN	B Three-digit plan number (PN) ▶	333
C Plan sponsor's name as shown on line 2a of Form 5500 TRI-STATE EMPLOYMENT SERVICES, INC.	D Employer Identification Number (EIN) 13-3703106	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a	45625	23451
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions.....	1b(1)	30634	20538
	(2) Participant contributions.....	1b(2)	65222	13381
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	415721	158448
	(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)	238126	178173
	(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)	8748767	10278382
	(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	9544095	10672373

Liabilities

g Benefit claims payable	1g	3010	10017
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	3010	10017

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	9541085	10662356
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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)	160977	
(B) Participants	2a(1)(B)	1045129	
(C) Others (including rollovers)	2a(1)(C)	202724	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1408830
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	40	
(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)	10467	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		10507
(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)	161851	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		161851
(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)		1656824
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		3238012

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1085356	
(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)		1085356
f Corrective distributions (see instructions)	2f		24720
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	10389	
(2) Contract administrator fees	2i(2)	83764	
(3) Investment advisory and management fees	2i(3)	20891	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		115044
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1225120

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		2012892
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		891621

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: LILLING & COMPANY, LLP

(2) EIN: 13-3447681

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		213352
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)
CONTRACT CONSULTANTS 401(K) PLAN	75-2613815	001
ON THE SHELF 401(K) PLAN	20-0959298	001

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

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 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 TRI-STATE 401(K) SAVINGS PLAN				B Three-digit plan number (PN) ▶	333
C Plan sponsor's name as shown on line 2a of Form 5500 TRI-STATE EMPLOYMENT SERVICES, INC.				D Employer Identification Number (EIN) 13-3703106	
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): 20-0937408					
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: 0.0% 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): _____

TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN

REPORT ON AUDIT OF FINANCIAL STATEMENTS

DECEMBER 31, 2013

TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN

DECEMBER 31, 2013

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Lilling & Company LLP

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
Tri-State Employment Service, Inc. 401 (k) Savings Plan
New York, New York

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Tri-State Employment Service, Inc. 401 (k) Savings Plan, which comprise the statements as of December 31, 2013 and 2012, and for the year ended December 31, 2013, as listed in the accompanying index, 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States. 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 4, which was certified by TD Ameritrade Trust Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the custodian as of December 31, 2013 and 2012, and for the year ended December 31, 2013, that the information provided to the plan administrator by the custodian 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 – Supplemental Schedules

The supplemental schedules listed in the accompanying index as of and for the year ended December 31, 2013 are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are 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 the supplemental schedules.

Other Matter – Participant Data

As discussed in Note 9, Related Party and Party-in-Interest Transactions, the Plan's records and procedures are not adequate to assure the completeness of participants' data on which contributions and benefit payments are determined. The effect of this matter on the financial statements and supplemental schedules has not been determined.

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 custodian, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, except for the matter described in the Other Matter – Participant Data, 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.

A handwritten signature in cursive script that reads "Silling + Company". The signature is written in black ink and is positioned above the printed name of the firm.

CERTIFIED PUBLIC ACCOUNTANTS

Great Neck, New York

October 10, 2014

TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS ***DECEMBER 31,***

	<u>2013</u>	<u>2012</u>
<i>ASSETS</i>		
Investments, at fair value	<u>\$ 10,460,281</u>	<u>\$ 9,210,114</u>
<i>Receivables</i>		
Notes receivable from participants	178,173	238,126
Employer contributions	20,538	30,634
Participant contributions	<u>13,381</u>	<u>65,222</u>
	<u>212,092</u>	<u>333,982</u>
<i>TOTAL ASSETS</i>	<u>10,672,373</u>	<u>9,544,096</u>
<i>LIABILITIES</i>		
Excess contributions payable	7,007	-
Other liabilities	<u>3,010</u>	<u>3,010</u>
<i>TOTAL LIABILITIES</i>	<u>10,017</u>	<u>3,010</u>
<i>NET ASSETS AVAILABLE FOR BENEFITS</i>	<u><u>\$ 10,662,356</u></u>	<u><u>\$ 9,541,086</u></u>

See notes to financial statements

TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS YEAR ENDED DECEMBER 31, 2013

ADDITIONS TO NET ASSETS ATTRIBUTED TO

Investment Income

Net change in fair value of investments	\$ 1,656,824
Interest and dividends	<u>161,891</u>
	<u>1,818,715</u>

Interest income from notes receivable from participants	<u>10,467</u>
---	---------------

Contributions

Participant	1,045,129
Employer	160,977
Rollover	<u>202,724</u>
	<u>1,408,830</u>

TOTAL ADDITIONS	<u>3,238,012</u>
------------------------	------------------

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO

Benefits paid to participants	1,091,103
Deemed distributions	18,973
Investment expenses	99,157
Administrative expenses	<u>15,888</u>
TOTAL DEDUCTIONS	<u>1,225,121</u>

NET CHANGE	2,012,891
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TRANSFERS FROM PLAN	<u>891,621</u>
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NET ASSETS AVAILABLE FOR BENEFITS

-BEGINNING OF YEAR	<u>9,541,086</u>
-END OF YEAR	<u><u>\$ 10,662,356</u></u>

See notes to financial statements

TRI-STATE EMPLOYMENT SERVICE, INC. 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS ***DECEMBER 31, 2013***

1. DESCRIPTION OF PLAN

The following description of the Tri-State Employment Service, Inc. 401 (k) Savings 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 multiple-employer defined contribution plan covering all full-time employees who meet specific eligibility requirements of each employer. Participating employers are Tri-State Employment Services, Inc. (Tri-State), a Professional Employer Organization (PEO), clients of Tri-State and affiliated entities (collectively, the "Company"). Employer transfers of participant accounts into and out of the Plan during the year ended December 31, 2013 are included in the statement of changes in net assets available for benefits. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

The Plan allows for both pre-tax Salary Deferrals and Roth contributions. Participants are immediately vested in their contributions plus actual earnings thereon. Rollover contributions are subject to the terms of the Plan and are fully vested and non-forfeitable. The Company may make matching contributions to the Plan or discretionary contributions to the Plan. For the year December 31, 2013 the Company contributed \$160,977. Contributions are subject to certain IRS limitations.

Participant Accounts

Each participant's account is credited with the participant's contribution, an allocation of the Company's contribution, and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Participants direct the investment of their balances into various investment options offered by the Plan.

TRI-STATE EMPLOYMENT SERVICE, INC. 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contributions portion of their accounts is based on years of continuous service as follows:

<u>Years of Vesting Service</u>	<u>Amount Vested</u>
Less than 2	0%
2 years of service	20%
3 years of service	40%
4 years of service	60%
5 years of service	80%
6 or more years	100%

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Notes receivable from participants are secured by the balance in the participant's account. The interest rate on outstanding loans ranged from 3.25% - 9.25% per annum. Principal and interest is paid through payroll deductions.

Payment of Benefits

On termination of service due to death, disability or retirement, a participant may elect to receive either a lump sum amount equal to the value of the participant's vested interest in his or her account or in installment payments over a period of time. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

Forfeitures

Forfeitures, if any, are allocated to participants in the same manner as employer contributions. At December 31, 2013 and 2012, forfeited non-vested accounts totaled \$20,434 and \$39,031, respectively. For the year ended December 31, 2013, the Plan allocated approximately \$36,000 of forfeiture accounts to participant accounts.

Hardship Withdrawals

A participant may request a hardship withdrawal under certain conditions as specified in the Plan agreement. Hardship withdrawals must be approved by the Plan administrator.

TRI-STATE EMPLOYMENT SERVICE, INC. 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Use of Estimates

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

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net change in fair value of investments includes the plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2013 or 2012. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding deduction to contributions. At December 31, 2013, corrective distributions payable were \$7,007 and were remitted back to the applicable participants prior to March 15 of the subsequent year.

TRI-STATE EMPLOYMENT SERVICE, INC. 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

Payment of Benefits

Benefits are recorded when paid.

Expenses

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

3. INVESTMENTS

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

<u>Investments</u>	<u>2013</u>	<u>2012</u>
Vanguard Target Retirement 2015	\$ 1,208,150	\$ 1,123,080
Vanguard Target Retirement 2030	952,846	779,078
Vanguard Target Retirement 2045	885,067	686,688
Vanguard Target Retirement 2020	868,864	816,356
Wells Fargo Growth Fund	771,263	*
Vanguard Target Retirement 2025	724,202	571,433
PIMCO Total Return Institutional	686,461	834,516

* Indicates that the fund was not over 5% of the Plan's net assets in the specified year.

During 2013 the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) resulted in an increase in value by \$1,656,824, all of which were from mutual funds.

TRI-STATE EMPLOYMENT SERVICE, INC. 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

4. INFORMATION PREPARED AND CERTIFIED BY CUSTODIAN

The following information included in the accompanying financial statements and supplemental schedules as of and for the years ended December 31, 2013 and 2012 was obtained from data that has been prepared and certified to as complete and accurate by the Plan's custodian.

	<u>2013</u>	<u>2012</u>
Investments, at fair value	\$ 10,460,281	\$ 9,210,114
Net change in fair value of investments	1,656,824	843,206
Interest and dividends	161,891	236,078

5. FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount 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.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of quoted market prices in inactive markets or quoted prices for similar assets in active markets, and Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 or Level 3 inputs were not available to the Plan.

Level 1 Fair Value Measurements

The fair value of mutual funds and money market funds are based on quoted net asset values of the shares held by the Plan at year-end.

TRI-STATE EMPLOYMENT SERVICE, INC. 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2013 and 2012:

December 31, 2013	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Money Market	\$ 181,899	\$ -	\$ -	\$ 181,899
Mutual Funds				
Asset Allocation	6,127,234	-	-	6,127,234
Equity – Large Cap	1,329,683	-	-	1,329,683
Bond	883,451	-	-	883,451
Equity – Small Cap	666,976	-	-	666,976
Equity – Mid Cap	638,296	-	-	638,296
Equity – International	632,742	-	-	632,742
	<u>\$ 10,460,281</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,460,281</u>
December 31, 2012	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Money Market	\$ 461,347	\$ -	\$ -	\$ 461,347
Mutual Funds				
Asset Allocation	5,705,622	-	-	5,705,622
Bond	1,072,682	-	-	1,072,682
Equity – Large Cap	420,202	-	-	420,202
Equity – Mid Cap	557,602	-	-	557,602
Equity – International	547,135	-	-	547,135
Equity – Small Cap	445,524	-	-	445,524
	<u>\$ 9,210,114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,210,114</u>

Gains and losses included in changes in net assets available for benefits for the year ended December 31, 2013, are reported in net change in fair value of investments.

6. PLAN TERMINATION

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

TRI-STATE EMPLOYMENT SERVICE, INC. 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

7. TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated August 12, 2013, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code.

Accounting principles generally accepted in the United States require plan management 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 the Plan is no longer subject to income tax examinations for years prior to 2010.

8. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

9. RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

TD Ameritrade Trust Company is the custodian of the Plan's investments and therefore certain transactions qualify as party-in-interest transactions. Administrative fees of \$15,888 were paid to TD Ameritrade Trust Company from the Plan during the year ended December 31, 2013.

Bluestar Retirement Services is the Third Party Administrator for the Plan and therefore certain transactions qualify as party-in-interest transactions. Fees of \$99,157 were paid to Bluestar Retirement Services from the Plan during the year ended December 31, 2013.

Other expenses of the Plan are the responsibility of the Company.

The Plan's records and procedures are not adequate to assure the completeness of participants' data on which contributions and benefit payments are determined. The Company did not have adequate documentation to support its census.

TRI-STATE EMPLOYMENT SERVICE, INC. 401(K) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

Participant contributions not transmitted by the Company within the time period set forth in the Department of Labor's regulation CFR 2510.3-102 are considered nonexempt prohibited transactions under ERISA. Participant contributions remitted during the year that constitute nonexempt prohibited transactions are reported by the Plan in the accompanying supplemental schedule as required.

10. RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

The following schedule is a reconciliation of the financial statements at December 31, 2013, and 2012 to Schedule H form 5500:

	<u>2013</u>	<u>2012</u>
Net assets available for benefits per the financial statements	\$ 10,662,356	\$ 9,541,086
Add: Refunds payable for excess Contributions	<u>7,007</u>	<u>-</u>
Net assets available for benefits per the 5500	<u>\$ 10,669,363</u>	<u>\$ 9,541,086</u>

On the Form 5500, excess contributions are recorded when paid.

11. SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 10, 2014, the date the financial statements were available to be issued.

In 2014 four employers left the Plan and transferred out participant accounts representing approximately 10% of the Plan's net assets.

SUPPLEMENTAL INFORMATION

TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN

EMPLOYEE IDENTIFICATION NUMBER: 13-3703106

PLAN NUMBER: 333

FORM 5500 SCHEDULE H, LINE 4a-

SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

YEAR ENDED DECEMBER 31, 2013

Participant Contributions Transferred Late to Plan		Total Fully Corrected under VFCP and PTE 2002-51		
Check here if Late Participant Loan Repayments are included [✓]	Total that constitute Nonexempt Prohibited Transactions			
	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
1/4/2013	\$ 14,165	\$ 14,165		
1/11/2013	24,270	24,270		
3/1/2013	19,806	19,806		
3/15/2013	21,158	21,158		
3/29/2013	17,934	17,934		
4/5/2013	27,167	27,167		
5/3/2013	24,826	24,826		
7/12/2013	14,870	14,870		
9/6/2013	18,862	18,862		
9/13/2013	14,663	14,663		
10/11/2013	13,752	13,752		
12/31/2013	1,879	1,879		
	<u>\$ 213,352</u>	<u>\$ 213,352</u>		

See independent auditor's report

TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN

EMPLOYEE IDENTIFICATION NUMBER: 13-3703106

PLAN NUMBER: 333

FORM 5500 SCHEDULE H, LINE 4i-

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2013

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, borrower lessor, or <u>similar party</u>	Description of <u>investment</u>	<u>Cost**</u>	<u>Current value</u>
	Vanguard Target Retirement 2015	Mutual Fund		\$ 1,208,150
	Vanguard Target Retirement 2030	Mutual Fund		952,846
	Vanguard Target Retirement 2045	Mutual Fund		885,067
	Vanguard Target Retirement 2020	Mutual Fund		868,864
	Wells Fargo Growth Fund Institutional	Mutual Fund		771,263
	Vanguard Target Retirement 2025	Mutual Fund		724,202
	Pimco Total Return Institutional	Mutual Fund		686,461
	Vanguard Target Retirement 2035	Mutual Fund		526,928
	Vanguard 500 Index Signal Shares	Mutual Fund		436,349
	Vanguard Target Retirement 2040	Mutual Fund		428,745
	Vanguard Total Intl Stock Index	Mutual Fund		368,313
	Vanguard Mid Cap Index Fd Signal	Mutual Fund		366,339
	JP Morgan Small Cap Growth Fund	Mutual Fund		277,073
	American Balanced Fund Class R-6	Mutual Fund		270,463
	Oppenheimer Global I	Mutual Fund		263,018
	Goldman Sachs Small Cap Value Fund	Mutual Fund		243,195
*	TD Bank Instl. MMDA FTCIMA	Money Market		158,448
	Vanguard Small Cap Index Fund Signal	Mutual Fund		146,708
	Vanguard Inflation Protected Securities	Mutual Fund		143,561
	Goldman Sachs Mid Cap Fund Class I	Mutual Fund		140,210
	Vanguard Target Retirement 2010	Mutual Fund		132,335
	Goldman Sachs Small Mid-Cap Growth	Mutual Fund		130,340
	Vanguard Target Retirement 2050	Mutual Fund		123,070
	MFS Value Fund Class R4	Mutual Fund		115,975
	Vanguard Short Term Treasury Admiral	Mutual Fund		53,429
*	TD Bank USA MMDA	Money Market		23,451
	Vanguard Target Retirement 2055	Mutual Fund		6,328

* Denotes a party-in-interest to the Plan

** All investments are Participant directed and therefore cost disclosure is not required.

See independent auditor's report

TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN

EMPLOYEE IDENTIFICATION NUMBER: 13-3703106

PLAN NUMBER: 333

FORM 5500 SCHEDULE H, LINE 4i-

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2013

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, borrower lessor, or <u>similar party</u>	Description of <u>investment</u>	<u>Cost**</u>	<u>Current value</u>
	MFS Value Fund Class R5	Mutual Fund		6,096
	Vanguard Total Intl. Stock Index	Mutual Fund		1,411
	Vanguard Mid Cap Index Fund	Mutual Fund		1,407
	Vanguard Target Retirement Inc. Fund	Mutual Fund		<u>236</u>
				10,460,281
		Loans to participants with interest rates ranging from 3.25% and 9.25% per annum.		
	Participant loans			<u>178,173</u>
				<u><u>\$ 10,638,454</u></u>

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See independent auditor's report

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 TRI-STATE 401 (K) SAVINGS PLAN	1b Three-digit plan number (PN) ▶ 333
	1c Effective date of plan 01/01/1999
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) TRI-STATE EMPLOYMENT SERVICES, INC. 160 BROADWAY SUITE 160 NEW YORK NY 10038	2b Employer Identification Number (EIN) 13-3703106
	2c Sponsor's telephone number 212-406-2740
	2d Business code (see instructions) 551112

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		<u>10/14/2014</u>	Robert Cassera
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		<u>10/14/2014</u>	Robert Cassera
	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)

TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN

EMPLOYEE IDENTIFICATION NUMBER: 13-3703106

PLAN NUMBER: 333

FORM 5500 SCHEDULE H, LINE 4a-

SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

YEAR ENDED DECEMBER 31, 2013

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TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN

EMPLOYEE IDENTIFICATION NUMBER: 13-3703106

PLAN NUMBER: 333

FORM 5500 SCHEDULE H, LINE 4i-

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2013

(a)	(b)	(c)	(d)	(e)
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TRI-STATE EMPLOYMENT SERVICE, INC. 401 (K) SAVINGS PLAN**EMPLOYEE IDENTIFICATION NUMBER: 13-3703106****PLAN NUMBER: 333****FORM 5500 SCHEDULE H, LINE 4i-****SCHEDULE OF ASSETS (HELD AT END OF YEAR)****DECEMBER 31, 2013**

(a)	(b)	(c)	(d)	(e)
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