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

2014

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
PAVEMENT RECYCLING SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1990

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

10240 SAN SEVAINE WAY
JURUPA VALLEY, CA 91752

2b Employer Identification Number (EIN)
33-0353433

2c Plan Sponsor's telephone number
951-682-1091

2d Business code (see instructions)
237310

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.	10/13/2015	BERNARD HALE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Preparer's telephone number (optional)

3a Plan administrator's name and address [X] Same as Plan Sponsor	**3b** Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:	**4b** EIN	
a Sponsor's name	**4c** PN	
5 Total number of participants at the beginning of the plan year	**5**	247
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1) Total number of active participants at the beginning of the plan year	**6a(1)**	172
a(2) Total number of active participants at the end of the plan year	**6a(2)**	156
b Retired or separated participants receiving benefits	**6b**	18
c Other retired or separated participants entitled to future benefits	**6c**	11
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	185
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f Total. Add lines **6d** and **6e**.	**6f**	185
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	207
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	40
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:
2I 2P 2Q 3I

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)		**9b** Plan benefit arrangement (check all that apply)	
(1)	[ ] Insurance	**(1)**	[ ] Insurance
(2)	[ ] Code section 412(e)(3) insurance contracts	**(2)**	[ ] Code section 412(e)(3) insurance contracts
(3)	[X] Trust	**(3)**	[X] Trust
(4)	[ ] General assets of the sponsor	**(4)**	[ ] General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

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

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) .....…… ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ……..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2014** **This Form is Open to Public Inspection.**

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan
PAVEMENT RECYCLING SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PAVEMENT RECYCLING SYSTEMS, INC.

D Employer Identification Number (EIN)
33-0353433

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

STERLING WEALTH MANAGEMENT GROUP IN

1808 ASTON AVE STE 245
CARLSBAD, CA 92008

94-3468248

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT ADVISOR	23389	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2014

This Form is Open to Public Inspection

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan
PAVEMENT RECYCLING SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PAVEMENT RECYCLING SYSTEMS, INC.

D Employer Identification Number (EIN)
33-0353433

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	502	502
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	1364958	2346504
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	35	45784
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	202150	46952
(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)		
(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)	2510419	1247817
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	46200000	46900000
(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	50278064	50587559
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i	175549	114146
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	175549	114146
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	50102515	50473413

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)	2346505	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)	34765	
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		2381270
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	90647	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		90647
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		
(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)		
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	5308754	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		5308754

		(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)		-128175
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		7652496
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	7245890	
(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)		7245890
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		12319
i Administrative expenses: **(1)** Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	23389	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		23389
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		7281598
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		370898
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: WRIGHT FORD YOUNG & CO. **(2)** EIN: 95-3288054

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

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

Part IV Compliance Questions

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

During the plan year:

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

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		1000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
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
PAVEMENT RECYCLING SYSTEMS, INC ESOT

6b Trust's EIN
202082757

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

2014

This Form is Open to Public Inspection.

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan
PAVEMENT RECYCLING SYSTEMS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PAVEMENT RECYCLING SYSTEMS, INC.

D Employer Identification Number (EIN)
33-0353433

Part I Distributions

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

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

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

EIN(s): 33-6134835

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

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

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PAVEMENT RECYCLING SYSTEMS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

PAVEMENT RECYCLING SYSTEMS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

DECEMBER 31, 2014 AND 2013

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Wright Ford Young & Co.

Certified Public Accountants and Consultants, Inc.

INDEPENDENT AUDITORS' REPORT

To the Participants and Administrator of the
Pavement Recycling Systems, Inc. Employee Stock Ownership Plan:

Report on the Financial Statements

We have audited the accompanying financial statements of the Pavement Recycling Systems, Inc. Employee Stock Ownership Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2014 and 2013, the related statement of changes in net assets available for benefits for the year ended December 31, 2014 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 our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatements.

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

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

16140 Sand Canyon Avenue • Irvine, California 92618 • (949) 910-CPAS (2727) • Fax (949) 910-2728

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2014 and 2013, and the changes in net assets available for benefits for the year ended December 31, 2014, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule, Schedule H, line 4i - Schedule of Assets (Held At End of Year) as of December 31, 2014, is presented for the purpose of additional analysis and is not a required part of the financial statements, but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wright Ford Young & Co.

WRIGHT FORD YOUNG & CO.
Irvine, California
October 9, 2015

PAVEMENT RECYCLING SYSTEMS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2014 AND 2013

	2014			2013		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS:						
Investments, at fair value:						
Pavement Recycling Systems, Inc. common stock	$ 46,760,101	$ 139,899	$ 46,900,000	$ 45,922,020	$ 277,980	$ 46,200,000
Registered investment companies	1,247,817	-	1,247,817	2,510,419	-	2,510,419
Interest bearing cash	46,952	-	46,952	202,150	-	202,150
Total investments	48,054,870	139,899	48,194,769	48,634,589	277,980	48,912,569
Receivables:						
Sponsor contribution receivable	2,277,582	68,922	2,346,504	1,291,236	73,722	1,364,958
Other receivable	45,784	-	45,784	35	-	35
Total receivables	2,323,366	68,922	2,392,288	1,291,271	73,722	1,364,993
Non-interest bearing cash	502	-	502	502	-	502
Total assets	50,378,738	208,821	50,587,559	49,926,362	351,702	50,278,064
LIABILITIES:						
Loan payable	-	111,527	111,527	-	171,527	171,527
Accrued interest expense	-	2,619	2,619	-	4,022	4,022
Total liabilities	-	114,146	114,146	-	175,549	175,549
NET ASSETS AVAILABLE FOR BENEFITS	$ 50,378,738	$ 94,675	$ 50,473,413	$ 49,926,362	$ 176,153	$ 50,102,515

See accompanying independent auditors' report and notes to the financial statements.

PAVEMENT RECYCLING SYSTEMS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Allocated	Unallocated	Total
ADDITIONS:			
Sponsor contributions	$ 2,312,347	$ 68,923	$ 2,381,270
Net unrealized depreciation in fair value of registered investment companies	(128,175)	-	(128,175)
Net unrealized appreciation in fair value of Pavement Recycling Systems, Inc. common stock	5,273,569	35,185	5,308,754
Interest income	90,647	-	90,647
Allocation of 2,028 shares of common stock of Pavement Recycling Systems, Inc. common stock	173,267	-	173,267
Total additions	7,721,655	104,108	7,825,763
DEDUCTIONS:			
Benefit payments	7,245,890	-	7,245,890
Interest expense	-	12,319	12,319
Plan fees and administrative expenses	23,389	-	23,389
Allocation of 2,028 shares of common stock of Pavement Recycling Systems, Inc. common stock	-	173,267	173,267
Total deductions	7,269,279	185,586	7,454,865
NET INCREASE (DECREASE)	452,376	(81,478)	370,898
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	49,926,362	176,153	50,102,515
NET ASSETS AVAILABLE FOR BENEFITS, end of year	$ 50,378,738	$ 94,675	$ 50,473,413

See accompanying independent auditors' report and notes to the financial statements.

PAVEMENT RECYCLING SYSTEMS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

1. PLAN DESCRIPTION AND BASIS OF PRESENTATION

The following description of the Pavement Recycling Systems, Inc. Employee Stock Ownership Plan (the Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provision.

General

Pavement Recycling Systems, Inc. (the Company or Sponsor) established the Plan in 1990. The Plan is intended to operate as a leveraged employee stock ownership plan (ESOP) and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (the IRC) and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The Plan has purchased shares of Company common stock using borrowed proceeds secured by the purchased shares, and holds the common stock in a trust established under the Plan. As the Plan makes debt payments, an appropriate percentage of stock is allocated to eligible employees' accounts in accordance with applicable regulation under the IRC.

The borrowing is collateralized by the unallocated shares of Company common stock. The lender has no rights against shares of Company common stock once they are allocated to participants in accordance with the terms of the ESOP. Accordingly, the financial statements present separately the assets and liabilities and changes therein pertaining to (a) the accounts of employees with rights in allocated Company common stock (allocated) and (b) Company common stock not yet allocated to employees (unallocated).

Eligibility

Employees who have attained at least 21 years of age, have completed 12 consecutive months of service, with at least 1,000 hours and are employed on the last day of the plan year will become a participant in the Plan as of the first day of the Plan year in which the eligibility requirements are satisfied. Prior to January 1, 2008, the service requirement was six months, defined as a minimum of 500 hours. For vesting purposes, participants do not have to complete the 12 consecutive months of service requirement.

Company Contributions

The Company is obligated to make contributions in cash or dividends to the Plan in the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan. The Company may also make additional discretionary cash and common stock contributions to the Plan in an amount determined by the Company.

1. PLAN DESCRIPTION AND BASIS OF PRESENTATION – (Continued)

Plan Administration

The Plan's assets, which consists primarily of Company common stock, are held by the trustees of the Plan.

The trustees of the Plan are a group of designated officers of the Company. Company contributions are held and managed by the trustees, which invests cash received, interest and dividend income, and makes distributions to participants and scheduled loan repayments.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses for the Trustee's fees are paid directly by the Company.

Participant Accounts

Each participant's account is credited with allocations of (a) the Company's contributions, (b) forfeitures, (c) net appreciation of Company common stock, and (d) other investment earnings net of plan expenses.

The Company's contributions may consist of acquisition indebtedness contributions and cash or common stock contributions and are allocated to active participants based on the percentage that their eligible compensation is representative to total eligible compensation.

Forfeitures of terminated participant's nonvested account balances are allocated to active participants based on the percentage that their eligible compensation is representative to total eligible compensation. During 2014, there were no forfeitures allocated to participants.

Net appreciation of Company common stock, as determined by an independent appraiser, is allocated based on the number of shares held by the participants at year-end multiplied by the change in the per share value.

Other investment earnings, including interest and dividend income, net of plan expenses are allocated to participants based on the percentage that their other investment account balance as of the first day of the plan year adjusted for distributions made, is representative to the total other investment account balance.

1. PLAN DESCRIPTION AND BASIS OF PRESENTATION – (Continued)

Payment of Benefits

Distribution of Plan benefits due to termination for retirement, disability, death or other reasons will be made in shares of Company common stock (see Put Option below), lump sum, or annual installments. Annual installments are paid after a one to six year waiting period over no more than five years, unless the participants vested account balance exceeds the amount as defined under the IRC, in which case installments could exceed five years. Effective September 24, 2014, the Plan was amended to permit in-service distributions once a participant attains age 70 ½. Effective December 1, 2014, the Plan was amended to permit terminated participants who had account balances that did not exceed $500,000 as of December 31, 2013, to take a lump sum distribution of their vested account balance by December 31, 2014. As of December 31, 2014, 28 participants who terminated employment have 156,773 vested shares valued at $13,395,238. These amounts are scheduled to be paid commencing December 31, 2015 through December 31, 2024.

Vesting

Vesting in the Company's contributions is based on years of service as follows:

Years of Service	Vested Percentage
Less than 5	0%
5	100%

Voting Rights

Participants may direct the voting of shares of the Company common stock allocated to their accounts on any matter on which shareholders are allowed to vote. Such matters are limited to the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all assets of a trade or business, or other similar transactions. Each participant will be provided with notification of the shareholders meeting and the proxy voting instruction form, which will need to be returned to the trustee prior to said meeting. The trustee will vote all shares according to those instructions. The trustee will vote all shares for which no instruction was received in the same proportion of yeas and nays on the instructions received.

Right of First Refusal

The right of first refusal shall provide that prior to any subsequent transfer, the shares must first be offered for purchase in writing to the Company, then to the trustee, on behalf of the Plan, at the fair market value. The fair market value for these shares of Company common stock shall be the greater of the price offered to the participant by the prospective purchaser or the price per the most recent preceding valuation date of the Plan. The Company and the trustee have 14 days to exercise this right of first refusal.

1. PLAN DESCRIPTION AND BASIS OF PRESENTATION – (Continued)

Put Option

Under federal income tax regulations, the Company common stock held by the Plan and its participants, and that are not readily tradable on an established market, or that are subject to trading limitations, include a put option (liquidity put). The liquidity put is a right to demand that the Company buy shares of its common stock held by the participant for which there is no market. The put price is representative of the fair market value of the common stock. The Company may pay for the purchase with interest not exceeding a period of five years. The purpose of the liquidity put is to ensure that the participant has the ability to ultimately obtain cash. In addition, if the Company elects to pay the purchase price of the common stock option under the installment method then the Company shall give the participant who is exercising the put option the Company's promissory note for the full unpaid balance of the purchase price.

Diversification

Diversification will be offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company stock into investments which are more diversified. Participants who are at least 55 years of age with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six year period. In each of the first five years, a participant may diversify up to 25% of his or her account balance, less any amounts previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify receive a cash distribution. As of December 31, 2014, 24,814 shares of Company common stock were eligible for diversification.

Plan Termination

The Company intends to continue the Plan indefinitely for the benefit of its participants; however, it reserves the right to terminate and/or modify the Plan at any time by resolution of its Board of Directors and subject to the provisions of ERISA. In the event the Plan is terminated in the future, participants would become fully vested in their accounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and New Accounting Pronouncements

The accompanying financial statements have been prepared on the accrual basis of accounting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Basis of Accounting and New Accounting Pronouncements – (Continued)

In May 2015 and July 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Updates ASU 2015-07 and ASU 2015-12, respectively, which include guidance related to plan investment disclosures and fully benefit-responsive investment contracts. This guidance revises the presentation for fully benefit-responsive investment contracts and disclosures related to these contracts as well as other disclosures related to plan investments. This guidance is effective for plan years ending after December 15, 2016 (ASU 2015-07) and December 15, 2015 (ASU 2015-12), with early application permitted. The Plan has elected to early adopt the provisions of these ASUs, including the retroactive application of their provisions.

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 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the period. Interest income is recorded on the accrual basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan invests in the common stock of the Sponsor and registered investment companies, which are exposed to various risks, such as interest rate risk, credit risk and market risks, as well as valuation assumptions based on earnings, cash flows or other techniques. Due to the level of risk associated with these investments and to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in the value of these investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Subsequent Events

The Company has evaluated subsequent events through the date of the audit report, which is the date the accompanying financial statements were available to be issued.

3. FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board (FASB) provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under this framework are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014 and 2013.

3. FAIR VALUE MEASUREMENTS – (Continued)

Pavement Recycling Systems, Inc. common stock: The fair value of the Company's common stock was determined by an independent appraisal. This appraisal was based upon a combination of the income and market valuation techniques. The asset-based approach was not used as it provides no consideration of earnings. The appraiser took into account historical and projected cash flow and market comparables. Plan management has concluded that a market participant would also recognize a discount for lack of marketability. This investment is classified within level 3 of the valuation hierarchy because the asset value is not based on an active market with quoted prices and was determined using observable and unobservable inputs.

Registered investment companies: These investments are public investment vehicles valued using the net asset value (NAV) provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market and classified within level 1 of the valuation hierarchy.

Interest-bearing cash: Interest-bearing cash consists of money market investments. The carrying value is believed to be representative of its fair value based on its short term nature and is classified within level 1 of the valuation hierarchy.

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2014 and 2013:

Description	Total	Level 1	Level 2	Level 3
December 31, 2014				
Investment in Pavement Recycling Systems, Inc. common stock	$ 46,900,000	$ -	$ -	$ 46,900,000
Registered investment companies	1,247,817	1,247,817	-	-
Interest bearing cash	46,952	46,952	-	-
Total investments at fair value	$ 48,194,769	$ 1,294,769	$ -	$ 46,900,000

3. FAIR VALUE MEASUREMENTS – (Continued)

Description	Total	Level 1	Level 2	Level 3
December 31, 2013				
Investment in Pavement Recycling Systems, Inc. common stock	$ 46,200,000	$ -	$ -	$ 46,200,000
Registered investment companies	2,510,419	2,510,419	-	-
Interest bearing cash	202,150	202,150	-	-
Total investments at fair value	$ 48,912,569	$ 2,712,569	$ -	$ 46,200,000

In regards to the classification of investment options offered by the Plan, there were no reclassifications between levels 1, 2 and 3 during the year ended December 31, 2014.

The following table presents a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2014:

	Investment in Pavement Recycling Systems, Inc. Common Stock
Balance, beginning of year	$ 46,200,000
Contributions of common stock	1,326,001
Unrealized appreciation	5,308,754
Benefit payments	(5,934,755)
Balance, end of year	$ 46,900,000

Starting in 2009, the Company has issued new additional shares of Company common stock and has contributed these shares into the Plan in settlement for a portion of the Sponsor contribution receivable that is recorded at each prior year end. Although the new issuances of shares create a dilution impact on existing shares, it also provides new additional shares to eligible participants. The net impact from these transactions is allowing newer employees to participate in receiving shares of Company common stock through ownership dilution of existing shares. During the Plan years 2009 through 2014, the Company has contributed a total of 101,300 shares of Company common stock to satisfy employer contributions. The contribution of these shares has resulted in share dilution of $2.18, $2.11, $1.50, $2.54 and $2.55 for the Plan years 2014, 2012, 2011, 2010 and 2009, respectively.

4. INVESTMENT IN COMMON STOCK

The following table summarizes the investment in Sponsor common stock at December 31, 2014 and 2013:

	2014		2013	
	Allocated	Unallocated	Allocated	Unallocated
Pavement Recycling Systems, Inc.				
Common stock shares:				
Number of shares	547,262	1,637	605,484	3,665
Cost	$ 41,902,764	$ 125,342	$ 41,211,058	$ 249,454
Market	$ 46,760,101	$ 139,899	$ 45,922,020	$ 277,980

5. TAX STATUS

The Company received a favorable opinion letter from the Internal Revenue Service (IRS), on October 24, 2014, which stated that the Plan, as then designed, was in compliance with the applicable requirements of the IRC. The Plan has since been amended. The plan administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. 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 2011.

6. PARTY-IN-INTEREST TRANSACTIONS

The Plan allows for transactions with certain parties who may perform services or have fiduciary responsibilities to the Plan. Such parties are parties-in-interest under ERISA. The Plan invests in Company common stock and has indebtedness to the Company. The Plan invests in registered investment companies and holds interest bearing cash with Charles Schwab & Co. and non-interest bearing cash with Wells Fargo Bank. The Company paid certain administrative expenses, including recordkeeping and audit fees of the Plan. These transactions qualify as party-in-interest transactions for which a statutory exemption exists.

7. LOAN PAYABLE

During January 2000, as a result of the Company's merger with another entity, the Plan entered into a $1,200,060 loan agreement with the Company relating to the purchase of additional Company common stock issued during the merger transaction. Unallocated shares are collateral for the loan. Shares are released from collateral and allocated to participants as payments of principal and interest are made. The number of shares released in any year is the number of shares held as collateral, times the ratio of the current year payments divided by the total of this year's payments, plus all future years' principal and interest payments. This resulted in 2,028 shares being released and allocated for the plan year ended December 31, 2014.

As of December 31, 2014, the loan requires 2 remaining annual principal repayments of approximately $60,000 plus interest at 8.00% per annum. The fair value of the loan payable as of December 31, 2014 approximates the remaining principal amount of $111,527.

8. NON-PARTICIPANT DIRECTED INVESTMENTS

Information about the net assets and the significant components of the changes in net assets relating to the non-participant directed investments are as follows:

	December 31, 2014	December 31, 2013
Net Assets:		
Pavement Recycling Systems, Inc. common stock	$ 46,900,000	$ 46,200,000
Registered investment companies	204,803	1,157,395
Interest bearing cash	4,021	19,763
Sponsor contribution receivable	2,346,504	1,364,958
Other receivable	45,784	35
Non-interest bearing cash	502	502
Loan payable	(111,527)	(171,527)
Accrued interest expense	(2,619)	(4,022)
	$ 49,387,468	$ 48,567,104

8. NON-PARTICIPANT DIRECTED INVESTMENTS – (Continued)

	Year Ended December 31, 2014
Changes in Net Assets:	
Sponsor contributions	$ 2,381,270
Net depreciation in fair value of registered investment companies	(29,707)
Net unrealized appreciation in fair value of Pavement Recycling Systems, Inc. common stock	5,308,754
Interest income	42,931
Benefits payments	(6,859,088)
Interest expense	(12,319)
Plan fees and administrative expenses	(11,477)
	$ 820,364

PAVEMENT RECYCLING SYSTEMS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
PLAN FEIN#: 33-0353433
PLAN # 001
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2014

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost		(e) Current Value
*	Pavement Recycling Systems, Inc.	Common stock, 548,899 shares	$ 42,028,106	**	$ 46,900,000
	Alps Sterling	ETF Tactical Rotation Fund	100,238		103,026
	CMG	Global Equity Fund	72,512		70,919
	Delaware	Emerging Markets Fund	60,626		51,872
	Goldman Sachs	Strategic Income Fund	136,406		137,383
	Ivy	Asset Strategy Fund	63,050		60,427
	Lord Abbett	Alpha Strategy Fund	94,080		85,277
	Lord Abbett	Short Duration Income Fund	139,619		134,439
	Mainstay	Marketfield Fund	123,968		110,387
	Skybridge	Dividend Value Fund	73,348		72,944
	Sunamerica	Focused Dividend Strategy Fund	92,946		99,699
	State Street Global Advisors	SPDR S&P 500 Fund	51,807		55,085
*	Charles Schwab & Co., Inc.	US Aggregate Bond Fund	36,494		36,390
	Thornburg	International Growth Fund	109,897		95,638
	Touchstone	Sands Capital Fund	76,116		79,412
	Vanguard	REIT Fund	53,517		54,919
*	Charles Schwab & Co., Inc.	Money Market Fund	46,952		46,952
*	Wells Fargo Bank	Non-interest bearing cash	502		502
					$ 48,195,271

* A party-in-interest as defined by ERISA

** The original acquisition cost is $8,707,022 and the cumulative basis adjustments are $33,321,084.

See accompanying independent auditors' report and notes to the financial statements.

PARTY IN INTEREST - X
IDENTITY - PavementRecycling St
DESCRIPTION - Common Stock
COST - 42028106
CURRENT VALUE - 46900000

PARTY IN INTEREST -
IDENTITY - Alps Sterling ETF ET
DESCRIPTION -
COST - 100238
CURRENT VALUE - 103026

PARTY IN INTEREST -
IDENTITY - CMG GLBL EQTY A GEFA
DESCRIPTION -
COST - 72512
CURRENT VALUE - 70919

PARTY IN INTEREST -
IDENTITY - Delaware Emerging Mk
DESCRIPTION -
COST - 60626
CURRENT VALUE - 51872

PARTY IN INTEREST -
IDENTITY - Goldman Sachs Strat
DESCRIPTION -
COST - 136406
CURRENT VALUE - 137383

PARTY IN INTEREST -
IDENTITY - Ivy Asset Strategy F
DESCRIPTION -
COST - 63050
CURRENT VALUE - 60427

PARTY IN INTEREST -
IDENTITY - Lord Abbett Alpha AL
DESCRIPTION -
COST - 94080
CURRENT VALUE - 85277

PARTY IN INTEREST -
IDENTITY - Lord Abbett Short L
DESCRIPTION -
COST - 139619
CURRENT VALUE - 134439

PARTY IN INTEREST -
IDENTITY - Mainstay Marketfield
DESCRIPTION -
COST - 123968
CURRENT VALUE - 110387

PARTY IN INTEREST -
IDENTITY - Skybridge DIV Value
DESCRIPTION -
COST - 73348
CURRENT VALUE - 72944

PARTY IN INTEREST -
IDENTITY - Sunamerica Focused F
DESCRIPTION -
COST - 92946
CURRENT VALUE - 99699

PARTY IN INTEREST -
IDENTITY - S P D R S&P 500 SPY
DESCRIPTION -
COST - 51807
CURRENT VALUE - 55085

PARTY IN INTEREST -
IDENTITY - Schw US AGG Bond ETF
DESCRIPTION -
COST - 36494
CURRENT VALUE - 36390

PARTY IN INTEREST -
IDENTITY - Thornburg Intl Growt
DESCRIPTION -
COST - 109897
CURRENT VALUE - 95638

PARTY IN INTEREST -
IDENTITY - Touchstone Sands Cap
DESCRIPTION -
COST - 76116
CURRENT VALUE - 79412

PARTY IN INTEREST -
IDENTITY - Vanguard REIT VNQ
DESCRIPTION -
COST - 53517
CURRENT VALUE - 54918

PARTY IN INTEREST -
IDENTITY - Money Market (Sweep)
DESCRIPTION -
COST - 46947
CURRENT VALUE - 46947

PARTY IN INTEREST -
IDENTITY - Cash
DESCRIPTION -
COST - 505
CURRENT VALUE - 505