# 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
ARDEN GROUP, INC 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 002

**1c** Effective date of plan 01/01/1992

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

2020 SOUTH CENTRAL AVE.
COMPTON, CA 90220

**2b** Employer Identification Number (EIN)
95-3163136

**2c** Plan Sponsor's telephone number
310-638-2842

**2d** Business code (see instructions)
445110

**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. | 10/14/2015 | MARK MOTSENBOCKER |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/14/2015 | MARK MOTSENBOCKER |
| | **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)** | 183 |
| **a(2)** | Total number of active participants at the end of the plan year | **6a(2)** | 177 |
| **b** | Retired or separated participants receiving benefits | **6b** | 0 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 61 |
| **d** | Subtotal. Add lines **6a(2)**, **6b**, and **6c**. | **6d** | 238 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 5 |
| **f** | Total. Add lines **6d** and **6e**. | **6f** | 243 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 240 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 4 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2E 2F 2G 2J 3D 2T 2K

**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<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2014**<br>**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
ARDEN GROUP, INC 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
ARDEN GROUP, INC.

**D** Employer Identification Number (EIN)
95-3163136

## Part I Service Provider Information (see instructions)

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

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

UBS FINANCIAL
777 FIGUEROA STREET
52ND FLOOR
LOS ANGELES, CA 90017

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

UBS FINANCIAL SERVICES, INC.

26-2235829

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 27 50 | INVESTMENT ADVISOR | 50000 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

MOSS ADAMS

91-0189318

| (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? |
|---|---|---|---|---|---|---|
| 10 50 | AUDITOR | 14650 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

ASCENSUS

11-3665754

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 15 64 50 99 | RECORD KEEPER | 26420 | Yes [X] No [ ] | Yes [ ] No [X] | 3191 | Yes [ ] No [X] |

**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 |
|---|---|---|
| ASCENSUS | 15 99 | 2765 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| JOHN HANCOCK<br>30 DAN ROAD<br>JOHN HANCOCK SIGNATURE SERVICES<br>CANTON, MA 02021 | ADMIN CREDIT ACCOUNT ADMINISTRATION |

| **(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 |
|---|---|---|
| | | |

| **(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 |
|---|---|---|
| | | |

## 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
ARDEN GROUP, INC 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
ARDEN GROUP, INC.

**D** Employer Identification Number (EIN)
95-3163136

## 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 | | 58033 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 544575 | 557205 |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | 152147 | 217418 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 3244502 | 3363662 |
| **(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) | 518841 | 643625 |
| **(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) | 30548849 | 34276197 |
| **(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) | 6086353 | 0 |
| **(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 | 41095267 | 39116140 |
| **Liabilities** | | | |
| **g** Benefit claims payable | 1g | | |
| **h** Operating payables | 1h | | |
| **i** Acquisition indebtedness | 1i | | |
| **j** Other liabilities | 1j | 25918 | |
| **k** Total liabilities (add all amounts in lines 1g through1j) | 1k | 25918 | 0 |
| **Net Assets** | | | |
| **l** Net assets (subtract line 1k from line 1f) | 1l | 41069349 | 39116140 |

## 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) | 558957 | |
| **(B)** Participants | 2a(1)(B) | 1231350 | |
| **(C)** Others (including rollovers) | 2a(1)(C) | 9673 | |
| **(2)** Noncash contributions | 2a(2) | | |
| **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 1799980 |
| **b Earnings on investments:** | | | |
| **(1)** Interest: | | | |
| **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 152580 | |
| **(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) | 15361 | |
| **(F)** Other | 2b(1)(F) | | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 167941 |
| **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| **(B)** Common stock | 2b(2)(B) | 11398 | |
| **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | 710974 | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 722372 |
| **(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) | -69821 | |
| **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | -69821 |

| | | (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) | | 1633124 |
| **c** Other income | 2c | | 69385 |
| **d** Total income. Add all **income** amounts in column (b) and enter total | 2d | | 4322981 |
| **Expenses** | | | |
| **e** Benefit payment and payments to provide benefits: | | | |
| **(1)** Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 6119338 | |
| **(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) | | 6119338 |
| **f** Corrective distributions (see instructions) | 2f | | |
| **g** Certain deemed distributions of participant loans (see instructions) | 2g | | |
| **h** Interest expense | 2h | | |
| **i** Administrative expenses: **(1)** Professional fees | 2i(1) | 15066 | |
| **(2)** Contract administrator fees | 2i(2) | 26420 | |
| **(3)** Investment advisory and management fees | 2i(3) | 50000 | |
| **(4)** Other | 2i(4) | 65366 | |
| **(5)** Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 156852 |
| **j** Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 6276190 |
| **Net Income and Reconciliation** | | | |
| **k** Net income (loss). Subtract line **2j** from line **2d** | 2k | | -1953209 |
| **l** Transfers of assets: | | | |
| **(1)** To this plan | 2l(1) | | |
| **(2)** From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

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

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

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

**(1)** Name: MOSS ADAMS, LLP **(2)** EIN: 91-0189318

**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 | | 22821 |
| **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 | | 3000000 |
| 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 | X | | |

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

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

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

**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

**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
ARDEN GROUP, INC 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
ARDEN GROUP, INC.

**D** Employer Identification Number (EIN)
95-3163136

## 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): 45-0404698

**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):

**ARDEN GROUP, INC.**
**401(k) PLAN**

# REPORT OF INDEPENDENT AUDITORS AND FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION

**DECEMBER 31, 2014 AND 2013**

**CONTENTS**


| | PAGE |
|---|---|
| **REPORT OF INDEPENDENT AUDITORS** | 1 - 2 |
| **FINANCIAL STATEMENTS:** | |
| Statements of Net Assets Available for Benefits as of December 31, 2014 and 2013 | 3 |
| Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2014 | 4 |
| Notes to Financial Statements | 5 - 11 |
| **SUPPLEMENTAL SCHEDULES:** | |
| Schedule of Assets (Held at End of Year) as of December 31, 2014 | 12 |
| Schedule of Delinquent Contributions | 13 |

MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants

# REPORT OF INDEPENDENT AUDITORS

To the Participants and Plan Administrator of the
Arden Group, Inc. 401(k) Plan:

***Report on the Financial Statements***

We were engaged to audit the accompanying financial statements of the Arden Group, Inc. 401(k) 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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matters 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 (DOL's) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Ascensus Trust Company, the trustee 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 trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2014 and 2013, and for the year ended December 31, 2014, that the information provided to the plan administrator by the trustee is complete and accurate.

***Disclaimer of Opinion***

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

***Other Matters***

The supplemental Schedule H, Line 4i - Schedule of Assets (Held at End of Year) and Schedule H, Line 4(a) – Schedule of Delinquent Contributions are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplementary information.



Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

MOSS-ADAMS LLP

***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 supplementary information, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Moss Adams LLP

Los Angeles, California
October 9, 2015

**ARDEN GROUP, INC.**
**401(k) PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

| AS OF DECEMBER 31 | 2014 | 2013 |
|---|---|---|
| **CASH** | $ 58,033 | $ 0 |
| **PARTICIPANT DIRECTED INVESTMENTS** | 37,639,859 | 39,879,704 |
| **RECEIVABLES:** | | |
| Employer contributions | 557,205 | 544,575 |
| Dividends receivable | 217,418 | 152,147 |
| Notes receivable from participants | 643,625 | 518,841 |
| Total receivables | 1,418,248 | 1,215,563 |
| Total assets | 39,116,140 | 41,095,267 |
| **EXCESS CONTRIBUTIONS PAYABLE** | 0 | (25,918) |
| Net assets available for benefits | $ 39,116,140 | $ 41,069,349 |

**ARDEN GROUP, INC.**
**401(k) PLAN**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

**YEAR ENDED DECEMBER 31, 2014**

| | |
|---|---|
| **ADDITIONS:** | |
| Investment income: | |
| Interest and dividend income | $ 874,952 |
| Net appreciation in the fair value of investments | 1,632,688 |
| Total investment income | 2,507,640 |
| Interest income on notes receivable from participants | 15,361 |
| Contributions: | |
| Employer | 558,957 |
| Employee | 1,241,023 |
| Total contributions | 1,799,980 |
| Total additions | 4,322,981 |
| **DEDUCTIONS:** | |
| Benefit payments | 6,119,338 |
| Plan expenses | 156,852 |
| Total deductions | 6,276,190 |
| Net decrease | 1,953,209 |
| **NET ASSETS AVAILABLE FOR BENEFITS:** | |
| Beginning of year | 41,069,349 |
| End of year | $ 39,116,140 |

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 - DESCRIPTION OF THE PLAN

The following description of the Arden Group, Inc. 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan Agreement for a complete description of the Plan's provisions.

**General** - The Plan is a defined contribution plan, adopted on January 1, 1992, that covers all non-union employees of Arden Group, Inc. (the Company or the Plan Sponsor) who have attained the age of 18 and completed one month of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

**Trustee** - Ascensus Trust Company (formerly known as Frontier Trust Company) serves as the trustee for all of the investment funds of the Plan with the exception of the Arden Group, Inc. Unitized Stock Fund (the Unitized Fund) which was managed by the Mid Atlantic Trust Company (MATC). MATC was a subcustodian to Ascensus Trust Company (Ascensus) prior to the dissolution of the Unitized Fund in conjunction with the sale of Arden Group, Inc. to TPG (a global private investment firm) on February 19, 2014. As a result of the sale, all shares of Arden Group, Inc. Class A Common Stock which were held by the Unitized Fund were exchanged for cash by TPG. These funds were credited to the individual participant accounts based on their respective share of the Unitized Fund and invested in the John Hancock Lifestyle Balanced Fund. Prior to the sale closing date, participants had the option to divest their shares in the Unitized Fund and to reinvest proceeds in any of the Plan's other investment options.

**Contributions** - On the first of the month following the completion of one month of service, the Plan provides that, with certain limitations, a qualifying employee may elect to contribute up to 100% of such employee's annual compensation, on a pre-tax basis, up to the maximum prescribed amount, which was $17,500 for 2014, under Section 401(k) of the Internal Revenue Code (IRC). Participants who attained the age of 50 before the end of the Plan year were eligible to make catch-up contributions of an additional $5,500 for 2014.

In order to qualify for Company contributions, an employee must have completed one year of service and a minimum of one thousand hours as of the next Plan entry date (January 1 or July 1). For each Plan year, the Company may make a discretionary matching contribution on behalf of each participant whose annualized gross earnings were $45,000 per year or less for the previous year. In addition, the Company may also contribute a discretionary profit sharing amount from the Company's current or accumulated net profits. In 2014, the Company made discretionary profit sharing contributions of $558,957 and made no discretionary matching contributions.

**Participant Accounts** - A separate account is established and maintained for each participant. Each participant's account is credited, as applicable, with the participant's contributions, the Company's matching contribution, the Company's discretionary profit sharing contribution and an allocation of the respective investment income or loss. The Company's discretionary profit sharing contribution and terminated employee forfeitures are allocated to the accounts of all participants who are employees on the last day of the Plan year based on the proportion of the participant's eligible compensation for the Plan year to the total eligible compensation for all active

## NOTE 1 - DESCRIPTION OF THE PLAN (Continued)

participants during the Plan year. The benefit to which a participant is entitled equals the participant's accumulated vested account balance. All contributions are held by the trustee in accordance with the option or options elected by each participant.

**Vesting** - Participants are immediately fully vested in the value of their contributions plus actual earnings thereon. Effective January 1, 2007, the Company changed its vesting schedule for the Company's discretionary profit sharing and/or matching contribution as required by the Pension Protection Act of 2006. As of the 2014 Plan year, all participants that are not already fully vested, are subject to a six year graded vesting schedule on profit sharing contributions.

**Forfeitures** - Participants forfeit any non-vested Company discretionary profit sharing contributions upon termination of employment. These non-vested amounts are subsequently moved to the forfeitures account. The non-vested portion remains in the forfeitures account unless the employee receives a distribution or has incurred a five year break in vesting service as defined by the Plan Agreement. If an employee is rehired before the five year break in vesting service occurs, the non-vested contributions are removed from the forfeitures account and restored to the employee's account. Each year, after the Company determines its discretionary profit sharing contribution for the year, the Company uses forfeitures that are no longer required to be held in suspense toward its annual discretionary profit sharing contribution. At December 31, 2014 there were $17,713 forfeitures in suspense. Forfeitures totaling $2,155 were used to reduce the Company's 2014 profit sharing contribution made in 2015.

**Payment of Benefits** - Upon termination of employment, participants with a vested account balance in the Plan of more than $1,000 may elect to receive a lump-sum amount equal to the value of their vested account balance, or may defer distribution, as defined by the Plan Agreement. Employees electing to defer their distribution continue to participate in the Plan's net investment income or loss. Terminated employees with a vested account balance in the Plan of less than $1,000 will be paid a lump-sum amount equal to the value of their vested account balance without the option to defer the distribution until retirement.

**Withdrawals and Loans** - Participants may request hardship withdrawals for defined expenses and are eligible to apply for a loan from the Plan, subject to approval by the Plan Administrator. Loans are limited to the lesser of $50,000 or one-half of the participant's vested account balance and must be a minimum of $1,000. Loans bear interest at a stated rate determined by the Plan Administrator and are collateralized by the borrower's assignment of rights to the vested participant account, as acknowledged by a promissory note. Interest rates range from 3.25% to 6.50%, with loans maturing through 2025. Repayments are generally made over a maximum five-year repayment term. All loans become immediately due and payable upon death or termination of employment. Loans are recorded at their unpaid principal balances plus any accrued but unpaid interest.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation** - The accompanying financial statements have been prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles (GAAP).

**Use of Estimates** - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

**Subsequent Events -** The Plan recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net assets available for benefits, including the estimates inherent in the process of preparing the financial statements. The Plan's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net assets available for benefits but arose after the statement of net assets available for benefits date and before the financial statements are available to be issued. The Plan has evaluated subsequent events through October 9, 2015, which is the date the financial statements were available to be issued.

Effective January 1, 2015, the Company changed its trustee from Ascensus Trust Company to Reliance Trust Company with MassMutual as the service provider. In addition, the Company also amended the Plan as noted within the following paragraphs. The Plan was in a blackout period from December 23, 2014 through January 16, 2015.

The Plan sponsored by Arden Group, Inc., changed its name from the Arden Group, Inc. 401(k) Plan to Gelson's Markets 401(k) Plan. The 401(k) plan type was amended from a Profit Sharing plan to a Profit Sharing and Safe Harbor Plan. Under the new plan type, the Company discontinued the option for the discretionary matching contributions, but continues to allow the option for discretionary profit sharing and now contributes a safe harbor match. The discretionary profit sharing is administered according to the same eligibility criteria. Under the safe harbor match, participants are eligible for matching contributions the same day that they become eligible to make contributions to the plan. Under the safe harbor match, the Company matches employee contributions equal to 100% of the first 3% of compensation and 50% of the next 2%, for a maximum matching contribution of 4%.

Safe harbor matching contributions are immediately vested. The discretionary profit sharing contributions are still subject to the six year graded vesting schedule; however, instead of determining a year of vesting service based on hours, the Company replaced it with the elapsed time method. The elapsed time method uses the employee's commencement date to measure service. The Company has also opted for the automatic deferral option which is set at 3%. Employees can opt out or choose to increase or decrease their election at any time. In addition to replacing current investment funds, the fund options have increased and the plan now includes an option to trade investments outside of the current 401(k) line-up through a self-directed brokerage window with Charles Schwab. Additionally, the Company has added the option for loan refinancing, changed the age requirement for in-service withdrawals of employer contributions and allows partial

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

distributions. The Plan also received a letter dated February 20, 2015 from the Internal Revenue Service stating that the prototype plan meets the applicable requirements of the IRC.

**Investment valuation** - The investments are stated at fair value. The Plan's trustee certifies the fair market value of all investments. If available, quoted market prices are used to value investments. 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 4 for discussion of fair value measurements.

**Income recognition** - Purchases and sales of securities are recorded on a trade date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis. The net appreciation or depreciation in the fair value of investments consists of both the realized gains and losses and unrealized appreciation and depreciation of those investments.

**Expenses** - Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Investment related expenses are included in net appreciation or depreciation of fair value of investments.

**Benefit Payments** - Benefits are recorded when paid.

### NOTE 3 - INVESTMENTS

The following unaudited investment information as of December 31, 2014 and 2013 and for the year ended December 31, 2014 included in the financial statements and supplemental schedule was certified to be complete and accurate by the trustee, within the meaning of 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA:

| | December 31, 2014 | December 31, 2013 |
|---|---|---|
| Cash | $ 58,033 | $ 0 |
| Participant directed investments | 37,639,859 | 39,879,704 |
| Dividends receivable | 217,418 | 152,147 |

| | For the Year Ended December 31, 2014 |
|---|---|
| Net appreciation in the fair value of investments | $ 1,632,688 |
| Interest and dividend income | $ 874,952 |

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 – INVESTMENTS (Continued)

Supplemental Schedule of Assets (Held at End of Year) as of December 31, 2014

The following are individual investments that represent 5% or more of the Plan's net assets available for benefits as of December 31, 2014 and 2013:

| | December 31, 2014 | December 31, 2013 |
|---|---|---|
| John Hancock Life Balanced Fund II | $ 10,086,216 | $ 7,565,077 |
| John Hancock Large Cap Equity Fund | 7,821,695 | 8,170,668 |
| Fidelity Advisors Mid Cap Fund | 5,576,591 | 5,722,548 |
| John Hancock Money Market Fund | 3,363,662 | 3,244,502 |
| American Funds Washington Mutual Investors | 2,768,164 | * |
| AllianceBernstein Global Risk Allocation | 2,311,204 | 2,144,545 |
| American Funds Capital World Growth | 2,319,851 | 2,023,901 |
| Arden Group, Inc. – Unitized Stock Fund | * | 6,086,353 |

* Represents 5% of net assets available for benefits at December 31, 2013 or 2014 only

The Plan presents in the statement of changes in net assets available for benefits net appreciation in the fair value of its investments of $1,632,688 which consists of realized gains or losses and unrealized appreciation or depreciation in registered investment companies of $1,633,124 and net depreciation in the Unitized Fund of $436.

### NOTE 4 - FAIR VALUE MEASUREMENTS

Accounting Standards Codification (ASC) 820, "Fair Value Measurements and Disclosures," establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Quoted prices in markets that are not considered to be active or financial instruments for which all the significant inputs are observable, either directly or indirectly.

Level 3: Prices or valuations that require inputs that are both significant to the fair value measurement and are unobservable.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)

Following is a description of the valuation inputs used to determine fair value of the Plan's assets as of December 31, 2014:

| | |
|---|---|
| Unitized stock fund: | Valued at the closing price reported on the NASDAQ Global Market. |
| Mutual funds: | Based on the net asset value of shares held determined from active markets. |

The following tables disclose by level the ASC 820 fair value hierarchy for investments as of December 31, 2014 and 2013:

| | Investment Assets at Fair Value as of December 31, 2014 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | | | | |
| Growth funds | $ 20,262,136 | $ 0 | $ 0 | $ 20,262,136 |
| Balanced funds | 12,397,420 | 0 | 0 | 12,397,420 |
| Bond funds | 1,616,641 | 0 | 0 | 1,616,641 |
| Money market fund | 3,363,662 | 0 | 0 | 3,363,662 |
| Unitized stock funds | 0 | 0 | 0 | 0 |
| | $ 37,639,859 | $ 0 | $ 0 | $ 37,639,859 |

| | Investment Assets at Fair Value as of December 31, 2013 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | | | | |
| Growth funds | $ 19,256,067 | $ 0 | $ 0 | $ 19,256,067 |
| Balanced funds | 9,709,623 | 0 | 0 | 9,709,623 |
| Bond funds | 1,583,159 | 0 | 0 | 1,583,159 |
| Money market fund | 3,244,502 | 0 | 0 | 3,244,502 |
| Unitized stock funds | 0 | 6,086,353 | 0 | 6,086,353 |
| | $ 33,793,351 | $ 6,086,353 | $ 0 | $ 39,879,704 |

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5 - PLAN TERMINATION

While the Company has not expressed any intent to discontinue the Plan or its contributions, they do have the right to terminate the Plan at any time, subject to penalties as prescribed by ERISA. In the event of Plan termination, the trustees will distribute the entire net assets available for benefits to the participants or their beneficiaries in accordance with the terms and provisions of the Plan Agreement and ERISA.

### NOTE 6 - TAX STATUS OF THE PLAN

The Plan has adopted a prototype plan sponsored by a third party. The prototype plan received a letter dated March 31, 2008 from the Internal Revenue Service stating the prototype plan, as then designed, meets the applicable requirements of the IRC.

In accordance with guidance on accounting for uncertainty in income taxes, management has evaluated the Plan's tax positions and does not believe the Plan has any uncertain tax positions that require disclosure or adjustment to 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.

### NOTE 7 - RELATED PARTY TRANSACTIONS

All administrative expenses and transaction fees are paid by the Plan. The Plan holds investments in Company stock through the Unitized Stock Fund. Such transactions with the Company qualified for a statutory exemption.

### NOTE 8 - RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. These 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 and the level of uncertainty related to changes in the value of investment securities, it is reasonably possible that changes in risks in the near term would materially affect the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

While 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.

# SUPPLEMENTAL SCHEDULES

**ARDEN GROUP, INC.**
**401(k) PLAN**

**EIN 95-3163136**
**PLAN NO. 002**

**SUPPLEMENTAL SCHEDULE H, line 4i**
**SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**AS OF DECEMBER 31, 2014**

| (a) | (b) Identity of issuer, borrower, lessor or similar party | (c) Description of investment, including maturity date, rate of interest, collateral, and par or maturity value | (e) Current value |
|---|---|---|---|
| | John Hancock Funds, Inc. | Life Balanced Fund II | $ 10,086,216 |
| | John Hancock Funds, Inc. | Large Cap Equity Fund | 7,821,696 |
| | Fidelity Investments Institutional Services, Inc. | Mid Cap Fund | 5,576,591 |
| | John Hancock Signature Services, Inc. | Money Market Fund | 3,363,662 |
| | American Funds | Washington Mutual Investors Fund | 2,768,164 |
| | American Funds | Capital World Growth/Income Fund | 2,319,851 |
| | AllianceBernstein Global Risk Allocation | Balanced Fund | 2,311,204 |
| | American Funds | Investment Company of America Fund | 1,775,834 |
| | John Hancock Funds, Inc. | Bond Fund 1 | 1,616,641 |
| * | Participants loans | Interest rates range from 3.25% to 6.50% and various maturity dates through 2025 | 643,625 |
| | | | $ 38,283,484 |

* A party-in-interest for which statutory exemption exists.

**ARDEN GROUP, INC.**
**401(k) PLAN**

**EIN 95-3163136**
**PLAN NO. 002**

## SUPPLEMENTAL SCHEDULE H, line 4a
## Schedule of Delinquent Contributions

| Participant Contributions Transferred Late to Plan | Total that Constitute Nonexempt Prohibited Transactions: Contributions Not Corrected | Total that Constitute Nonexempt Prohibited Transactions: Contributions Corrected Outside VFCP | Total that Constitute Nonexempt Prohibited Transactions: Contributions Pending Correction in VFCP | Total Fully Corrected Under VFCP and PTE 2002-51 |
|---|---|---|---|---|
| Check here if Late Participant Loan Repayments are included: | $ - | $ - | $ - | $ 22,821 |

| A Name of Plan | B Three-digit plan Number |
|---|---|
| Arden Group, Inc. 401(k) Plan | 002 |
| **C Plan sponsor's name as shown on line 2a of Form 5500** | **D Employer Identification Number** |
| Arden Group, Inc. | 95-3163136 |

## *Schedule of Delinquent Participant Contributions*

| Participant Contributions Transferred Late to Plan | Total that Constitute Nonexempt Prohibited Transactions | | | Total Fully Corrected Under VFCP and PTE 2002-51 |
|---|---|---|---|---|
| | Contributions Not Corrected | Contributions Corrected Outside VFCP | Contributions Pending Correction in VFCP | |
| Check here if Late Participant Loan Repayments are included: X | | | | $22,821.25 |

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[of which Retirement Services is a division] and its affiliated companies and sales representatives.

| A Name of Plan | B Three-digit Plan Number | |
|---|---|---|
| Arden Group, Inc. 401(k) Plan | | 002 |
| **C Plan sponsor's name as shown on line 2a of Form 5500** | **D Employer Identification Number** | |
| Arden Group, Inc. | 95-3163136 | |

## Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

| (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 |
|---|---|---|---|---|
| * | Fidelity | Fidelity Adv Stock Selector Mid Cap T | 0 | 5,576,591 |
| * | American Funds | American Funds Inv Co. of America | 0 | 1,775,833 |
| * | American Funds | American Funds Washington Mutual Inv A | 0 | 2,768,164 |
| * | American Funds | American Funds Cap World Gr and Inc A | 0 | 2,319,851 |
| * | John Hancock | Hancock John Money Market Fund A | 0 | 3,363,662 |
| * | John Hancock | John Hancock Lg Cap Equity Fund A | 0 | 7,821,696 |
| * | John Hancock | John Hancock Bond I | 0 | 1,616,641 |
| * | John Hancock | John Hancock II Lifestyle Balanced A | 0 | 10,294,344 |
| * | Alliance Bernstein | AllianceBern Global Risk Alloca A | 0 | 2,311,204 |
| * | Participant Loans | Various Rate and Maturities | 0 | 643,625 |