Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2013

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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

B This return/report is:
- [X] the first return/report;
- [ ] the final return/report;
- [X] 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
THE BRADFORD HAMMACHER GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2013

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

THE BRADFORD HAMMACHER GROUP, INC.

9333 N MILWAUKEE AVENUE
NILES, IL 60714-1303

2b Employer Identification Number (EIN)
51-0370495

2c Sponsor's telephone number
847-966-2770

2d Business code (see instructions)
454110

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.	12/02/2015	MARGARET OSTOJIC
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	12/02/2015	MARGARET OSTOJIC
	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 Name [ ] Same as Plan Sponsor Address

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:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	640
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	640
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	8
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	648
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	2
f	Total. Add lines **6d** and **6e**.	**6f**	650
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	645
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2I 2P 2Q 3H

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

9a Plan funding arrangement (check all that apply)

(1)	[ ]	Insurance
(2)	[ ]	Code section 412(e)(3) insurance contracts
(3)	[X]	Trust
(4)	[ ]	General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	[ ]	Insurance
(2)	[ ]	Code section 412(e)(3) insurance contracts
(3)	[X]	Trust
(4)	[ ]	General assets of the sponsor

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

a Pension Schedules

(1)	[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)

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.**	**2013** **This Form is Open to Public Inspection.**

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

A Name of plan	**B** Three-digit plan number (PN) ▶	
THE BRADFORD HAMMACHER GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN		001
C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number (EIN)	
THE BRADFORD HAMMACHER GROUP, INC.	51-0370495	

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)

(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 ☐

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2013

This Form is Open to Public Inspection

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

A Name of plan
THE BRADFORD HAMMACHER GROUP, 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
THE BRADFORD HAMMACHER GROUP, INC.

D Employer Identification Number (EIN)
51-0370495

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	4438521
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(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)		
(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)	0	43410000
	(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	0	47848521
	Liabilities			
g	Benefit claims payable	1g	0	
h	Operating payables	1h	0	
i	Acquisition indebtedness	1i	0	
j	Other liabilities	1j	0	101938521
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	101938521
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	0	-54090000

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)	4438521	
	(B) Participants	2a(1)(B)	0	
	(C) Others (including rollovers)	2a(1)(C)	0	
	(2) Noncash contributions	2a(2)	0	
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		4438521
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
	(B) U.S. Government securities	2b(1)(B)	0	
	(C) Corporate debt instruments	2b(1)(C)	0	
	(D) Loans (other than to participants)	2b(1)(D)	0	
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)	0	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)	0	
	(B) Common stock	2b(2)(B)	0	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	0	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(3) Rents	2b(3)		0
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	0	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
	(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)	0	
	(B) Other	2b(5)(B)	-56590000	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		-56590000

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		0
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		-52151479
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	0	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		0
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		1938521
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1938521
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-54090000
l Transfers of assets:			
(1) To this plan	2l(1)		0
(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: CROWE HORWATH LLP **(2)** EIN: 35-0921680

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	0
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	0

			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	0
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	0
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	**6b** Trust's EIN

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

2013

This Form is Open to Public Inspection.

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

A Name of plan
THE BRADFORD HAMMACHER GROUP, 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
THE BRADFORD HAMMACHER GROUP, INC.

D Employer Identification Number (EIN)
51-0370495

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

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

EIN(s): _____ _____

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):

THE BRADFORD HAMMACHER GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
Niles, Illinois

FINANCIAL STATEMENTS
December 31, 2013

THE BRADFORD HAMMACHER GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
Niles, Illinois

FINANCIAL STATEMENTS
December 31, 2013

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Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITOR'S REPORT

ESOP Committee
The Bradford Hammacher Group, Inc.
Employee Stock Ownership Plan
Niles, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of The Bradford Hammacher Group, Inc. Employee Stock Ownership Plan ("the Plan"), which comprise the statement of net assets available for benefits as of December 31, 2013, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

(Continued)

Opinion

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

Emphasis of Matter

As discussed in Note 2, investments amounting to $43,410,000 as of December 31, 2013, have been reported at estimated fair values as determined by an independent appraisal that has been reviewed and approved by plan management. This amount represents 100% of the Plan's assets as of December 31, 2013. Our opinion is not modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information included in the 2013 supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) and Schedule H, Line 4j – Schedule of Reportable Transactions is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Crowe Horwath LLP

Crowe Horwath LLP

Oak Brook, Illinois
October 6, 2014

THE BRADFORD HAMMACHER GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2013

	2013		
	Allocated	Unallocated	Total
ASSETS			
Investment in The Bradford Hammacher Group, Inc. common stock, at estimated fair value (Notes 2 and 4)	$ 1,107,303	$ 42,302,697	$ 43,410,000
Employer contribution receivable	-	4,438,521	4,438,521
Total assets	1,107,303	46,741,218	47,848,521
LIABILITIES			
Interest payable	-	1,938,521	1,938,521
Note payable (Note 5)	-	100,000,000	100,000,000
Total liabilities	-	101,938,521	101,938,521
NET ASSETS AVAILABLE FOR BENEFITS	$ 1,107,303	$(55,197,303)	$(54,090,000)

See accompanying notes to financial statements.

THE BRADFORD HAMMACHER GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Year ended December 31, 2013

	Allocated	Unallocated	Total
Additions to net assets attributed to:			
Employer contributions	$ -	$ 4,438,521	$ 4,438,521
Allocation of 15,304.8035 shares of common stock of The Bradford Hammacher Group, Inc.	1,107,303	-	1,107,303
	1,107,303	4,438,521	5,545,824
Deductions from net assets attributed to:			
Net depreciation	-	56,590,000	56,590,000
Interest expense	-	1,938,521	1,938,521
Allocation of 15,304.8035 shares of common stock of The Bradford Hammacher Group, Inc.	-	1,107,303	1,107,303
	-	59,635,824	59,635,824
Net increase (decrease)	1,107,303	(55,197,303)	(54,090,000)
Net assets available for benefits			
Beginning of period	-	-	-
End of period	$ 1,107,303	$(55,197,303)	$(54,090,000)

See accompanying notes to financial statements.

NOTE 1 - DESCRIPTION OF THE PLAN

The following description of The Bradford Hammacher Group, Inc. ("the Company") Employee Stock Ownership Plan ("the Plan" or "the ESOP") provides general information. Participants should refer to the plan document for more complete information.

General: The Plan was established as of January 1, 2013. The Plan is qualified as an employee stock ownership plan, as defined in the Internal Revenue Code. The Plan is subject to the provisions of the Employee Retirement Income Security Act on 1974 (ERISA).

Eligibility: Generally, an employee other than leased, union, foreign, and part-time employees (regularly scheduled for less than 30 hours per week) may participate in the Plan as of the first day of the month immediately following the date when the employee first meets the following requirements:

1) Completion of six consecutive months of service
2) Attainment of the age of 18

A part-time employee that completes 1,000 hours of service or more in a Plan Year will become eligible to participate in the Plan on January 1 of the Plan Year immediately following the Plan Year in which the employee completes 1,000 hours of service.

Contributions: The Company makes contributions to the Plan at the discretion of the Board of Directors of the Company provided that the amount of the contribution at a minimum will satisfy the Plan's current year debt obligation (Note 5). Employees are not permitted to make contributions under this plan. Rollover contributions from other qualified plans are not permitted.

Investment Income Allocation: Allocation of investment gains or losses to participants will generally be based on share balance and/or beginning cash balances.

Participant Accounts: Separate employer stock accounts and other investment accounts have been established to record the participants' interests under the Plan. As of the last day of each plan year, the employee stock accounts maintained under the Plan are credited with:

(A) Allocable shares of Company stock (including fractional shares) purchased and paid for by the trust.

(B) An allocation of shares of Company stock (including fractional shares) released from the suspense account for that year.

(C) Forfeitures of employer stock caused by participants leaving the employer prior to the time when their accounts are fully vested.

(D) An allocation of any stock dividends declared and paid on Company stock during the year.

Employer stock purchased with the proceeds of a loan is held in a suspense account pending release and reallocation to participant stock accounts as the loan is paid.

As the ESOP's debt is repaid, shares are released from the suspense account based on the proportion of the principal and interest paid in the year to the original amount of the debt and expected interest over the term of the note payable. The released shares are then allocated to active participants according to each active participant's percentage of eligible salary, as defined in the plan agreement.

(Continued)

NOTE 1 - DESCRIPTION OF THE PLAN (Continued)

Vesting: Vesting in a participant account is based on years of continuous service as follows:

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

Payment of Benefits: Upon attainment of normal retirement age (65), disability, death, or termination of service, a participant is eligible to receive distribution of the vested Participant Account balance over a period not to exceed five years commencing no later than one year after separation for separations associated with retirement, death or disability, and no later than five years after separation for all other participants. Account balances of less than $1,000 may be distributed as a lump sum distribution. As determined by the Company, this payment can be made in the form of either (a) cash, or (b) restricted shares of the Company's stock, subject to the requirement that the Company stock be immediately sold to the Company or back to the trust at a price equal to the fair market value of the stock as of the most recent valuation date.

Put Option: Under Federal income tax regulations, the Company stock held by the Plan includes a put option because it is not readily tradable on an established market. The put option provides participants with the right to demand that the Company buy shares of Company common stock distributed to them upon termination, at estimated fair value based upon the most recent independent appraisal. Participants have the right to sell his or her Company stock to the Company at any time during two option periods, at a price equal to the fair market value of the stock as of the most recent valuation date. The first put option period shall be for at least 60 days, beginning on the date of the distribution of the stock. The second put option period shall be for at least 60 days beginning after the new determination of the fair market value of the stock in the following plan year. The Company can fulfill its purchase obligation by making a lump-sum payment within 30 days of the option exercise, or an installment distribution over a period not to exceed five years, with accrued interest.

Voting Rights: Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the trustee prior to the time that such rights are to be exercised. The trustee shall vote the shares of Company stock which are not allocated to any participant's account. The trustee has the right under the applicable law to vote the shares contrary to the direction of the participants if required by applicable fiduciary principles.

Diversification: Participants who are at least age 55 with at least 10 years of active 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, subject to certain percentage limitations. Participants who elect to diversify may direct that a portion of their account be distributed to another qualified plan maintained by the Company, to be invested at the direction of the participant.

Forfeited Accounts: Forfeited nonvested accounts may be used to pay Plan administrative expenses prior to being allocated to plan participants.

Administrative Expenses**:** Administrative expenses of the Plan were paid by the Company.

(Continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements of the Plan are prepared under the accrual basis of accounting.

Use of Estimates in the Preparation of Financial Statements: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures, and actual results may differ from these estimates. It is at least reasonably possible that a significant change may occur in the near term in the estimated fair value of the Plan's investment in employer securities. At December 31, 2013, the Plan had a valuation performed of the employer stock (Note 4), which is deemed to be a significant estimate.

Risks and Uncertainties: The Plan is invested 100% in Company common stock. This investment security is exposed to various risks such as interest rate, market, liquidity, and credit risks. Due to the level of risk associated with this investment security and the sensitivity of certain fair value estimates to changes in valuation assumptions, it is at least reasonably possible that changes in the fair value of the security will occur in the near term and that such changes could materially affect the amount reported in the statement of net assets available for benefits and participants' individual account balances.

Investment Valuation and Income Recognition: Plan investments are stated at estimated fair value. Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation (depreciation) includes the plan's gains and losses on investments bought and sold as well as held during the year.

Fair value is the price that would be received by the Plan for an asset or paid by the Plan to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date in the Plan's principal or most advantageous market for the asset or liability. Fair value measurements are determined by maximizing the use of observable inputs and minimizing the use of unobservable inputs. The hierarchy places the highest priority on unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements) and gives the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs within the fair value hierarchy are defined as follows:

> Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Plan has the ability to access as of the measurement date.
>
> Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
>
> Level 3: Significant unobservable inputs that reflect the Plan's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In some cases, a valuation technique used to measure fair value may include inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following descriptions of the valuation methods and assumptions used by the Plan to estimate the fair values of investments apply to investments held directly by the Plan.

(Continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Company common stock: The fair value of the Company's common stock is valued by independent appraisal as of the last day of the Plan's year. On an annual basis, the trustee of the Plan engages a valuation specialist to perform this independent appraisal of the Company's common stock. The appraised values are derived using a combination of historical financial information, projected earnings, and cash flow information for the Company and comparisons to other comparable businesses, as well as other input factors (Level 3 inputs). The appraisals have been reviewed and approved by Plan management. Plan management performs procedures to verify that the historical data used by the valuation specialist is complete and accurate, and that financial projections are consistent with management's forecasts. Plan management also reviews the valuation methodologies and assumptions used by the valuation specialist for reasonableness, including comparison to prior years, expectations, and current economic and industry data.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, 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.

Investments measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at December 31, 2013 Using		
	Level 1	Level 2	Level 3
Company common stock	$ -	$ -	$ 43,410,000

The table below presents a reconciliation of Plan investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2013, including the reporting classifications for the applicable gains and losses included in the statement of changes in net assets available for benefits:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
	Company Common Stock
Beginning balance, January 1, 2013	$ -
Purchase of Company stock in exchange for note payable	100,000,000
Total gains or losses included in change in net assets available for benefits:	
Unrealized depreciation (relating to shares held at end of year)	(56,590,000)
Ending balance, December 31, 2013	$ 43,410,000

(Continued)

NOTE 3 - RIGHTS UPON PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and its related regulations. In the event of the Plan's termination, 100% of each participant's account becomes nonforfeitable as of the date of termination.

NOTE 4 - INVESTMENTS

The Plan's investments at December 31 are presented in the following table:

	2013	
	Allocated	Unallocated
The Bradford Hammacher Group, Inc. common stock		
Number of shares	15,305	584,695
Cost per share	$ 166.67	$ 166.67
Fair value per share	$ 72.35	$ 72.35

During the three month period ended December 31, 2013, the Plan's investments depreciated in value by $56,590,000.

NOTE 5 - NOTE PAYABLE

On September 30, 2013, the Plan acquired 600,000 shares of the Company's common stock in exchange for a note payable to the Company in the amount of $100,000,000 ($166.67 per share). The shares acquired in this transaction represented 100% of the Company's outstanding stock. The Plan trustee received a fairness opinion from an independent financial advisor indicating that the $100,000,000 purchase price was not in excess of the fair market value of the stock as of that date.

The note is payable in 40 annual installments of $2.5 million, beginning on September 30, 2014 and continuing on the 30th day of September of each year thereafter, with a final payment of all outstanding principal and accrued interest due on September 30, 2053. Interest is due and payable on the principal payment dates. Interest accrues on the note at a rate equal to 3.61% per year and is payable annual on the 30th day of September. There are no penalties for early repayment of the note. On April 14, 2014, the Plan made its first principal payment, with interest accrued through the date of the payment. The Company made a contribution to the Plan in the same amount. The IRS permits a plan sponsor to make a contribution attributable to a given plan year until the due date of the plan sponsor's, or its shareholder's, income tax return. Accordingly, the subsequent contribution and debt repayment, as well as the associated share allocation, are reflected in the Plan's financial statements as of and for the period ended December 31, 2013.

Principal payments on the Plan's note payable are due as follows:

2014 - 2053	$ 2,500,000 per year

(Continued)

NOTE 6 - TAX STATUS

The Plan has not yet received a determination letter. Plan management expects to apply for a determination letter with the IRS prior to January 15, 2016. The plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2013, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) 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. Because the Plan was formed on January 1, 2013, the plan administrator believes it is not subject to income tax examinations before this date.

NOTE 7 - PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor Regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others. Certain professional fees for the administration and audit of the Plan are paid by the Company.

Plan investments in The Bradford Hammacher Group, Inc. common stock qualify as party-in-interest investments. The fair value of these investments as of December 31, 2013 was $43,410,000.

NOTE 8 - SUBSEQUENT EVENTS

Plan management has evaluated subsequent events for recognition and disclosure through October 6, 2014, which is the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

THE BRADFORD HAMMACHER GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2013

Name of Plan Sponsor: The Bradford Hammacher Group
Employer Identification Number: 51-0370495
Three-Digit Plan Number: 001

(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
*	The Bradford Hammacher Group, Inc.	600,000 shares of common stock	$ 100,000,000	$ 43,410,000

* Represents a party-in-interest with respect to the Plan.

THE BRADFORD HAMMACHER GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
Year ended December 31, 2013

Name of Plan Sponsor: The Bradford Hammacher Group
Employer Identification Number: 51-0370495
Three-Digit Plan Number: 001

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred With Transaction	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain (Loss)
Category (i): A single transaction in excess of 5% of the current value of Plan assets:								
The Bradford Hammacher Group, Inc.	Class A Common Stock	$100,000,000	-	-	-	$100,000,000	$100,000,000	-

THE BRADFORD HAMMACHER GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
Niles, Illinois

FINANCIAL STATEMENTS
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THE BRADFORD HAMMACHER GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
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Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITOR'S REPORT

ESOP Committee
The Bradford Hammacher Group, Inc.
Employee Stock Ownership Plan
Niles, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of The Bradford Hammacher Group, Inc. Employee Stock Ownership Plan ("the Plan"), which comprise the statement of net assets available for benefits as of December 31, 2013, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

(Continued)

Opinion

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

Emphasis of Matter

As discussed in Note 2, investments amounting to $43,410,000 as of December 31, 2013, have been reported at estimated fair values as determined by an independent appraisal that has been reviewed and approved by plan management. This amount represents 100% of the Plan's assets as of December 31, 2013. Our opinion is not modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information included in the 2013 supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) and Schedule H, Line 4j – Schedule of Reportable Transactions is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Crowe Horwath LLP

Crowe Horwath LLP

Oak Brook, Illinois
October 6, 2014

THE BRADFORD HAMMACHER GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2013

	2013		
	Allocated	Unallocated	Total
ASSETS			
Investment in The Bradford Hammacher Group, Inc. common stock, at estimated fair value (Notes 2 and 4)	$ 1,107,303	$ 42,302,697	$ 43,410,000
Employer contribution receivable	-	4,438,521	4,438,521
Total assets	1,107,303	46,741,218	47,848,521
LIABILITIES			
Interest payable	-	1,938,521	1,938,521
Note payable (Note 5)	-	100,000,000	100,000,000
Total liabilities	-	101,938,521	101,938,521
NET ASSETS AVAILABLE FOR BENEFITS	$ 1,107,303	$(55,197,303)	$(54,090,000)

See accompanying notes to financial statements.

THE BRADFORD HAMMACHER GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Year ended December 31, 2013

	Allocated	Unallocated	Total
Additions to net assets attributed to:			
Employer contributions	$ -	$ 4,438,521	$ 4,438,521
Allocation of 15,304.8035 shares of common stock of The Bradford Hammacher Group, Inc.	1,107,303	-	1,107,303
	1,107,303	4,438,521	5,545,824
Deductions from net assets attributed to:			
Net depreciation	-	56,590,000	56,590,000
Interest expense	-	1,938,521	1,938,521
Allocation of 15,304.8035 shares of common stock of The Bradford Hammacher Group, Inc.	-	1,107,303	1,107,303
	-	59,635,824	59,635,824
Net increase (decrease)	1,107,303	(55,197,303)	(54,090,000)
Net assets available for benefits			
Beginning of period	-	-	-
End of period	$ 1,107,303	$(55,197,303)	$(54,090,000)

See accompanying notes to financial statements.

NOTE 1 - DESCRIPTION OF THE PLAN

The following description of The Bradford Hammacher Group, Inc. ("the Company") Employee Stock Ownership Plan ("the Plan" or "the ESOP") provides general information. Participants should refer to the plan document for more complete information.

General: The Plan was established as of January 1, 2013. The Plan is qualified as an employee stock ownership plan, as defined in the Internal Revenue Code. The Plan is subject to the provisions of the Employee Retirement Income Security Act on 1974 (ERISA).

Eligibility: Generally, an employee other than leased, union, foreign, and part-time employees (regularly scheduled for less than 30 hours per week) may participate in the Plan as of the first day of the month immediately following the date when the employee first meets the following requirements:

1) Completion of six consecutive months of service
2) Attainment of the age of 18

A part-time employee that completes 1,000 hours of service or more in a Plan Year will become eligible to participate in the Plan on January 1 of the Plan Year immediately following the Plan Year in which the employee completes 1,000 hours of service.

Contributions: The Company makes contributions to the Plan at the discretion of the Board of Directors of the Company provided that the amount of the contribution at a minimum will satisfy the Plan's current year debt obligation (Note 5). Employees are not permitted to make contributions under this plan. Rollover contributions from other qualified plans are not permitted.

Investment Income Allocation: Allocation of investment gains or losses to participants will generally be based on share balance and/or beginning cash balances.

Participant Accounts: Separate employer stock accounts and other investment accounts have been established to record the participants' interests under the Plan. As of the last day of each plan year, the employee stock accounts maintained under the Plan are credited with:

(A) Allocable shares of Company stock (including fractional shares) purchased and paid for by the trust.

(B) An allocation of shares of Company stock (including fractional shares) released from the suspense account for that year.

(C) Forfeitures of employer stock caused by participants leaving the employer prior to the time when their accounts are fully vested.

(D) An allocation of any stock dividends declared and paid on Company stock during the year.

Employer stock purchased with the proceeds of a loan is held in a suspense account pending release and reallocation to participant stock accounts as the loan is paid.

As the ESOP's debt is repaid, shares are released from the suspense account based on the proportion of the principal and interest paid in the year to the original amount of the debt and expected interest over the term of the note payable. The released shares are then allocated to active participants according to each active participant's percentage of eligible salary, as defined in the plan agreement.

(Continued)

NOTE 1 - DESCRIPTION OF THE PLAN (Continued)

Vesting: Vesting in a participant account is based on years of continuous service as follows:

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

Payment of Benefits: Upon attainment of normal retirement age (65), disability, death, or termination of service, a participant is eligible to receive distribution of the vested Participant Account balance over a period not to exceed five years commencing no later than one year after separation for separations associated with retirement, death or disability, and no later than five years after separation for all other participants. Account balances of less than $1,000 may be distributed as a lump sum distribution. As determined by the Company, this payment can be made in the form of either (a) cash, or (b) restricted shares of the Company's stock, subject to the requirement that the Company stock be immediately sold to the Company or back to the trust at a price equal to the fair market value of the stock as of the most recent valuation date.

Put Option: Under Federal income tax regulations, the Company stock held by the Plan includes a put option because it is not readily tradable on an established market. The put option provides participants with the right to demand that the Company buy shares of Company common stock distributed to them upon termination, at estimated fair value based upon the most recent independent appraisal. Participants have the right to sell his or her Company stock to the Company at any time during two option periods, at a price equal to the fair market value of the stock as of the most recent valuation date. The first put option period shall be for at least 60 days, beginning on the date of the distribution of the stock. The second put option period shall be for at least 60 days beginning after the new determination of the fair market value of the stock in the following plan year. The Company can fulfill its purchase obligation by making a lump-sum payment within 30 days of the option exercise, or an installment distribution over a period not to exceed five years, with accrued interest.

Voting Rights: Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the trustee prior to the time that such rights are to be exercised. The trustee shall vote the shares of Company stock which are not allocated to any participant's account. The trustee has the right under the applicable law to vote the shares contrary to the direction of the participants if required by applicable fiduciary principles.

Diversification: Participants who are at least age 55 with at least 10 years of active 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, subject to certain percentage limitations. Participants who elect to diversify may direct that a portion of their account be distributed to another qualified plan maintained by the Company, to be invested at the direction of the participant.

Forfeited Accounts: Forfeited nonvested accounts may be used to pay Plan administrative expenses prior to being allocated to plan participants.

Administrative Expenses**:** Administrative expenses of the Plan were paid by the Company.

(Continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements of the Plan are prepared under the accrual basis of accounting.

Use of Estimates in the Preparation of Financial Statements: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures, and actual results may differ from these estimates. It is at least reasonably possible that a significant change may occur in the near term in the estimated fair value of the Plan's investment in employer securities. At December 31, 2013, the Plan had a valuation performed of the employer stock (Note 4), which is deemed to be a significant estimate.

Risks and Uncertainties: The Plan is invested 100% in Company common stock. This investment security is exposed to various risks such as interest rate, market, liquidity, and credit risks. Due to the level of risk associated with this investment security and the sensitivity of certain fair value estimates to changes in valuation assumptions, it is at least reasonably possible that changes in the fair value of the security will occur in the near term and that such changes could materially affect the amount reported in the statement of net assets available for benefits and participants' individual account balances.

Investment Valuation and Income Recognition: Plan investments are stated at estimated fair value. Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation (depreciation) includes the plan's gains and losses on investments bought and sold as well as held during the year.

Fair value is the price that would be received by the Plan for an asset or paid by the Plan to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date in the Plan's principal or most advantageous market for the asset or liability. Fair value measurements are determined by maximizing the use of observable inputs and minimizing the use of unobservable inputs. The hierarchy places the highest priority on unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements) and gives the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs within the fair value hierarchy are defined as follows:

> Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Plan has the ability to access as of the measurement date.
>
> Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
>
> Level 3: Significant unobservable inputs that reflect the Plan's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In some cases, a valuation technique used to measure fair value may include inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following descriptions of the valuation methods and assumptions used by the Plan to estimate the fair values of investments apply to investments held directly by the Plan.

(Continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Company common stock: The fair value of the Company's common stock is valued by independent appraisal as of the last day of the Plan's year. On an annual basis, the trustee of the Plan engages a valuation specialist to perform this independent appraisal of the Company's common stock. The appraised values are derived using a combination of historical financial information, projected earnings, and cash flow information for the Company and comparisons to other comparable businesses, as well as other input factors (Level 3 inputs). The appraisals have been reviewed and approved by Plan management. Plan management performs procedures to verify that the historical data used by the valuation specialist is complete and accurate, and that financial projections are consistent with management's forecasts. Plan management also reviews the valuation methodologies and assumptions used by the valuation specialist for reasonableness, including comparison to prior years, expectations, and current economic and industry data.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, 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.

Investments measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at December 31, 2013 Using		
	Level 1	Level 2	Level 3
Company common stock	$ -	$ -	$ 43,410,000

The table below presents a reconciliation of Plan investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2013, including the reporting classifications for the applicable gains and losses included in the statement of changes in net assets available for benefits:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
	Company Common Stock
Beginning balance, January 1, 2013	$ -
Purchase of Company stock in exchange for note payable	100,000,000
Total gains or losses included in change in net assets available for benefits:	
Unrealized depreciation (relating to shares held at end of year)	(56,590,000)
Ending balance, December 31, 2013	$ 43,410,000

(Continued)

NOTE 3 - RIGHTS UPON PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and its related regulations. In the event of the Plan's termination, 100% of each participant's account becomes nonforfeitable as of the date of termination.

NOTE 4 - INVESTMENTS

The Plan's investments at December 31 are presented in the following table:

	2013	
	Allocated	Unallocated
The Bradford Hammacher Group, Inc. common stock		
Number of shares	15,305	584,695
Cost per share	$ 166.67	$ 166.67
Fair value per share	$ 72.35	$ 72.35

During the three month period ended December 31, 2013, the Plan's investments depreciated in value by $56,590,000.

NOTE 5 - NOTE PAYABLE

On September 30, 2013, the Plan acquired 600,000 shares of the Company's common stock in exchange for a note payable to the Company in the amount of $100,000,000 ($166.67 per share). The shares acquired in this transaction represented 100% of the Company's outstanding stock. The Plan trustee received a fairness opinion from an independent financial advisor indicating that the $100,000,000 purchase price was not in excess of the fair market value of the stock as of that date.

The note is payable in 40 annual installments of $2.5 million, beginning on September 30, 2014 and continuing on the 30th day of September of each year thereafter, with a final payment of all outstanding principal and accrued interest due on September 30, 2053. Interest is due and payable on the principal payment dates. Interest accrues on the note at a rate equal to 3.61% per year and is payable annual on the 30th day of September. There are no penalties for early repayment of the note. On April 14, 2014, the Plan made its first principal payment, with interest accrued through the date of the payment. The Company made a contribution to the Plan in the same amount. The IRS permits a plan sponsor to make a contribution attributable to a given plan year until the due date of the plan sponsor's, or its shareholder's, income tax return. Accordingly, the subsequent contribution and debt repayment, as well as the associated share allocation, are reflected in the Plan's financial statements as of and for the period ended December 31, 2013.

Principal payments on the Plan's note payable are due as follows:

2014 - 2053	$ 2,500,000 per year

(Continued)

NOTE 6 - TAX STATUS

The Plan has not yet received a determination letter. Plan management expects to apply for a determination letter with the IRS prior to January 15, 2016. The plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2013, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) 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. Because the Plan was formed on January 1, 2013, the plan administrator believes it is not subject to income tax examinations before this date.

NOTE 7 - PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor Regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others. Certain professional fees for the administration and audit of the Plan are paid by the Company.

Plan investments in The Bradford Hammacher Group, Inc. common stock qualify as party-in-interest investments. The fair value of these investments as of December 31, 2013 was $43,410,000.

NOTE 8 - SUBSEQUENT EVENTS

Plan management has evaluated subsequent events for recognition and disclosure through October 6, 2014, which is the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

THE BRADFORD HAMMACHER GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2013

Name of Plan Sponsor: The Bradford Hammacher Group
Employer Identification Number: 51-0370495
Three-Digit Plan Number: 001

(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
*	The Bradford Hammacher Group, Inc.	600,000 shares of common stock	$ 100,000,000	$ 43,410,000

* Represents a party-in-interest with respect to the Plan.

THE BRADFORD HAMMACHER GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
Year ended December 31, 2013

Name of Plan Sponsor: The Bradford Hammacher Group
Employer Identification Number: 51-0370495
Three-Digit Plan Number: 001

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred With Transaction	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain (Loss)
Category (i): A single transaction in excess of 5% of the current value of Plan assets:								
The Bradford Hammacher Group, Inc.	Class A Common Stock	$100,000,000	-	-	-	$100,000,000	$100,000,000	-

THE BRADFORD HAMMACHER GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
Niles, Illinois

FINANCIAL STATEMENTS
December 31, 2013

THE BRADFORD HAMMACHER GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
Niles, Illinois

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Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITOR'S REPORT

ESOP Committee
The Bradford Hammacher Group, Inc.
Employee Stock Ownership Plan
Niles, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of The Bradford Hammacher Group, Inc. Employee Stock Ownership Plan ("the Plan"), which comprise the statement of net assets available for benefits as of December 31, 2013, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

(Continued)

Opinion

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

Emphasis of Matter

As discussed in Note 2, investments amounting to $43,410,000 as of December 31, 2013, have been reported at estimated fair values as determined by an independent appraisal that has been reviewed and approved by plan management. This amount represents 100% of the Plan's assets as of December 31, 2013. Our opinion is not modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information included in the 2013 supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) and Schedule H, Line 4j – Schedule of Reportable Transactions is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Crowe Horwath LLP

Crowe Horwath LLP

Oak Brook, Illinois
October 6, 2014

THE BRADFORD HAMMACHER GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2013

	2013		
	Allocated	Unallocated	Total
ASSETS			
Investment in The Bradford Hammacher Group, Inc. common stock, at estimated fair value (Notes 2 and 4)	$ 1,107,303	$ 42,302,697	$ 43,410,000
Employer contribution receivable	-	4,438,521	4,438,521
Total assets	1,107,303	46,741,218	47,848,521
LIABILITIES			
Interest payable	-	1,938,521	1,938,521
Note payable (Note 5)	-	100,000,000	100,000,000
Total liabilities	-	101,938,521	101,938,521
NET ASSETS AVAILABLE FOR BENEFITS	$ 1,107,303	$(55,197,303)	$(54,090,000)

See accompanying notes to financial statements.

THE BRADFORD HAMMACHER GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Year ended December 31, 2013

	Allocated	Unallocated	Total
Additions to net assets attributed to:			
Employer contributions	$ -	$ 4,438,521	$ 4,438,521
Allocation of 15,304.8035 shares of common stock of The Bradford Hammacher Group, Inc.	1,107,303	-	1,107,303
	1,107,303	4,438,521	5,545,824
Deductions from net assets attributed to:			
Net depreciation	-	56,590,000	56,590,000
Interest expense	-	1,938,521	1,938,521
Allocation of 15,304.8035 shares of common stock of The Bradford Hammacher Group, Inc.	-	1,107,303	1,107,303
	-	59,635,824	59,635,824
Net increase (decrease)	1,107,303	(55,197,303)	(54,090,000)
Net assets available for benefits			
Beginning of period	-	-	-
End of period	$ 1,107,303	$(55,197,303)	$(54,090,000)

See accompanying notes to financial statements.

NOTE 1 - DESCRIPTION OF THE PLAN

The following description of The Bradford Hammacher Group, Inc. ("the Company") Employee Stock Ownership Plan ("the Plan" or "the ESOP") provides general information. Participants should refer to the plan document for more complete information.

General: The Plan was established as of January 1, 2013. The Plan is qualified as an employee stock ownership plan, as defined in the Internal Revenue Code. The Plan is subject to the provisions of the Employee Retirement Income Security Act on 1974 (ERISA).

Eligibility: Generally, an employee other than leased, union, foreign, and part-time employees (regularly scheduled for less than 30 hours per week) may participate in the Plan as of the first day of the month immediately following the date when the employee first meets the following requirements:

1) Completion of six consecutive months of service
2) Attainment of the age of 18

A part-time employee that completes 1,000 hours of service or more in a Plan Year will become eligible to participate in the Plan on January 1 of the Plan Year immediately following the Plan Year in which the employee completes 1,000 hours of service.

Contributions: The Company makes contributions to the Plan at the discretion of the Board of Directors of the Company provided that the amount of the contribution at a minimum will satisfy the Plan's current year debt obligation (Note 5). Employees are not permitted to make contributions under this plan. Rollover contributions from other qualified plans are not permitted.

Investment Income Allocation: Allocation of investment gains or losses to participants will generally be based on share balance and/or beginning cash balances.

Participant Accounts: Separate employer stock accounts and other investment accounts have been established to record the participants' interests under the Plan. As of the last day of each plan year, the employee stock accounts maintained under the Plan are credited with:

(A) Allocable shares of Company stock (including fractional shares) purchased and paid for by the trust.

(B) An allocation of shares of Company stock (including fractional shares) released from the suspense account for that year.

(C) Forfeitures of employer stock caused by participants leaving the employer prior to the time when their accounts are fully vested.

(D) An allocation of any stock dividends declared and paid on Company stock during the year.

Employer stock purchased with the proceeds of a loan is held in a suspense account pending release and reallocation to participant stock accounts as the loan is paid.

As the ESOP's debt is repaid, shares are released from the suspense account based on the proportion of the principal and interest paid in the year to the original amount of the debt and expected interest over the term of the note payable. The released shares are then allocated to active participants according to each active participant's percentage of eligible salary, as defined in the plan agreement.

(Continued)

NOTE 1 - DESCRIPTION OF THE PLAN (Continued)

Vesting: Vesting in a participant account is based on years of continuous service as follows:

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

Payment of Benefits: Upon attainment of normal retirement age (65), disability, death, or termination of service, a participant is eligible to receive distribution of the vested Participant Account balance over a period not to exceed five years commencing no later than one year after separation for separations associated with retirement, death or disability, and no later than five years after separation for all other participants. Account balances of less than $1,000 may be distributed as a lump sum distribution. As determined by the Company, this payment can be made in the form of either (a) cash, or (b) restricted shares of the Company's stock, subject to the requirement that the Company stock be immediately sold to the Company or back to the trust at a price equal to the fair market value of the stock as of the most recent valuation date.

Put Option: Under Federal income tax regulations, the Company stock held by the Plan includes a put option because it is not readily tradable on an established market. The put option provides participants with the right to demand that the Company buy shares of Company common stock distributed to them upon termination, at estimated fair value based upon the most recent independent appraisal. Participants have the right to sell his or her Company stock to the Company at any time during two option periods, at a price equal to the fair market value of the stock as of the most recent valuation date. The first put option period shall be for at least 60 days, beginning on the date of the distribution of the stock. The second put option period shall be for at least 60 days beginning after the new determination of the fair market value of the stock in the following plan year. The Company can fulfill its purchase obligation by making a lump-sum payment within 30 days of the option exercise, or an installment distribution over a period not to exceed five years, with accrued interest.

Voting Rights: Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the trustee prior to the time that such rights are to be exercised. The trustee shall vote the shares of Company stock which are not allocated to any participant's account. The trustee has the right under the applicable law to vote the shares contrary to the direction of the participants if required by applicable fiduciary principles.

Diversification: Participants who are at least age 55 with at least 10 years of active 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, subject to certain percentage limitations. Participants who elect to diversify may direct that a portion of their account be distributed to another qualified plan maintained by the Company, to be invested at the direction of the participant.

Forfeited Accounts: Forfeited nonvested accounts may be used to pay Plan administrative expenses prior to being allocated to plan participants.

Administrative Expenses**:** Administrative expenses of the Plan were paid by the Company.

(Continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements of the Plan are prepared under the accrual basis of accounting.

Use of Estimates in the Preparation of Financial Statements: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures, and actual results may differ from these estimates. It is at least reasonably possible that a significant change may occur in the near term in the estimated fair value of the Plan's investment in employer securities. At December 31, 2013, the Plan had a valuation performed of the employer stock (Note 4), which is deemed to be a significant estimate.

Risks and Uncertainties: The Plan is invested 100% in Company common stock. This investment security is exposed to various risks such as interest rate, market, liquidity, and credit risks. Due to the level of risk associated with this investment security and the sensitivity of certain fair value estimates to changes in valuation assumptions, it is at least reasonably possible that changes in the fair value of the security will occur in the near term and that such changes could materially affect the amount reported in the statement of net assets available for benefits and participants' individual account balances.

Investment Valuation and Income Recognition: Plan investments are stated at estimated fair value. Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation (depreciation) includes the plan's gains and losses on investments bought and sold as well as held during the year.

Fair value is the price that would be received by the Plan for an asset or paid by the Plan to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date in the Plan's principal or most advantageous market for the asset or liability. Fair value measurements are determined by maximizing the use of observable inputs and minimizing the use of unobservable inputs. The hierarchy places the highest priority on unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements) and gives the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs within the fair value hierarchy are defined as follows:

> Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Plan has the ability to access as of the measurement date.
>
> Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
>
> Level 3: Significant unobservable inputs that reflect the Plan's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In some cases, a valuation technique used to measure fair value may include inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following descriptions of the valuation methods and assumptions used by the Plan to estimate the fair values of investments apply to investments held directly by the Plan.

(Continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Company common stock: The fair value of the Company's common stock is valued by independent appraisal as of the last day of the Plan's year. On an annual basis, the trustee of the Plan engages a valuation specialist to perform this independent appraisal of the Company's common stock. The appraised values are derived using a combination of historical financial information, projected earnings, and cash flow information for the Company and comparisons to other comparable businesses, as well as other input factors (Level 3 inputs). The appraisals have been reviewed and approved by Plan management. Plan management performs procedures to verify that the historical data used by the valuation specialist is complete and accurate, and that financial projections are consistent with management's forecasts. Plan management also reviews the valuation methodologies and assumptions used by the valuation specialist for reasonableness, including comparison to prior years, expectations, and current economic and industry data.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, 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.

Investments measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at December 31, 2013 Using		
	Level 1	Level 2	Level 3
Company common stock	$ -	$ -	$ 43,410,000

The table below presents a reconciliation of Plan investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended December 31, 2013, including the reporting classifications for the applicable gains and losses included in the statement of changes in net assets available for benefits:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
	Company Common Stock
Beginning balance, January 1, 2013	$ -
Purchase of Company stock in exchange for note payable	100,000,000
Total gains or losses included in change in net assets available for benefits:	
Unrealized depreciation (relating to shares held at end of year)	(56,590,000)
Ending balance, December 31, 2013	$ 43,410,000

(Continued)

NOTE 3 - RIGHTS UPON PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and its related regulations. In the event of the Plan's termination, 100% of each participant's account becomes nonforfeitable as of the date of termination.

NOTE 4 - INVESTMENTS

The Plan's investments at December 31 are presented in the following table:

	2013	
	Allocated	Unallocated
The Bradford Hammacher Group, Inc. common stock		
Number of shares	15,305	584,695
Cost per share	$ 166.67	$ 166.67
Fair value per share	$ 72.35	$ 72.35

During the three month period ended December 31, 2013, the Plan's investments depreciated in value by $56,590,000.

NOTE 5 - NOTE PAYABLE

On September 30, 2013, the Plan acquired 600,000 shares of the Company's common stock in exchange for a note payable to the Company in the amount of $100,000,000 ($166.67 per share). The shares acquired in this transaction represented 100% of the Company's outstanding stock. The Plan trustee received a fairness opinion from an independent financial advisor indicating that the $100,000,000 purchase price was not in excess of the fair market value of the stock as of that date.

The note is payable in 40 annual installments of $2.5 million, beginning on September 30, 2014 and continuing on the 30th day of September of each year thereafter, with a final payment of all outstanding principal and accrued interest due on September 30, 2053. Interest is due and payable on the principal payment dates. Interest accrues on the note at a rate equal to 3.61% per year and is payable annual on the 30th day of September. There are no penalties for early repayment of the note. On April 14, 2014, the Plan made its first principal payment, with interest accrued through the date of the payment. The Company made a contribution to the Plan in the same amount. The IRS permits a plan sponsor to make a contribution attributable to a given plan year until the due date of the plan sponsor's, or its shareholder's, income tax return. Accordingly, the subsequent contribution and debt repayment, as well as the associated share allocation, are reflected in the Plan's financial statements as of and for the period ended December 31, 2013.

Principal payments on the Plan's note payable are due as follows:

2014 - 2053	$ 2,500,000 per year

(Continued)

NOTE 6 - TAX STATUS

The Plan has not yet received a determination letter. Plan management expects to apply for a determination letter with the IRS prior to January 15, 2016. The plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2013, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) 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. Because the Plan was formed on January 1, 2013, the plan administrator believes it is not subject to income tax examinations before this date.

NOTE 7 - PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor Regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others. Certain professional fees for the administration and audit of the Plan are paid by the Company.

Plan investments in The Bradford Hammacher Group, Inc. common stock qualify as party-in-interest investments. The fair value of these investments as of December 31, 2013 was $43,410,000.

NOTE 8 - SUBSEQUENT EVENTS

Plan management has evaluated subsequent events for recognition and disclosure through October 6, 2014, which is the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

THE BRADFORD HAMMACHER GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2013

Name of Plan Sponsor: The Bradford Hammacher Group
Employer Identification Number: 51-0370495
Three-Digit Plan Number: 001

(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
*	The Bradford Hammacher Group, Inc.	600,000 shares of common stock	$ 100,000,000	$ 43,410,000

* Represents a party-in-interest with respect to the Plan.

THE BRADFORD HAMMACHER GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
Year ended December 31, 2013

Name of Plan Sponsor: The Bradford Hammacher Group
Employer Identification Number: 51-0370495
Three-Digit Plan Number: 001

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred With Transaction	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain (Loss)
Category (i): A single transaction in excess of 5% of the current value of Plan assets:								
The Bradford Hammacher Group, Inc.	Class A Common Stock	$100,000,000	-	-	-	$100,000,000	$100,000,000	-