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

2015

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
SANTA CRUZ NUTRITIONALS 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1990

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
SANTA CRUZ NUTRITIONALS

2200 DELAWARE AVE
SANTA CRUZ, CA 95060-5707

2b Employer Identification Number (EIN)
43-1979323

2c Plan Sponsor's telephone number
831-457-3200

2d Business code (see instructions)
311300

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.	09/29/2016	RANDY BRIDGES
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	09/29/2016	RANDY BRIDGES
	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)

Preparer's telephone number

3a Plan administrator's name and address [X] Same as Plan Sponsor	**3b** Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:	**4b** EIN	
a Sponsor's name	**4c** PN	
5 Total number of participants at the beginning of the plan year	**5**	407
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1) Total number of active participants at the beginning of the plan year	**6a(1)**	393
a(2) Total number of active participants at the end of the plan year	**6a(2)**	431
b Retired or separated participants receiving benefits	**6b**	0
c Other retired or separated participants entitled to future benefits	**6c**	13
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	444
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	3
f Total. Add lines **6d** and **6e**.	**6f**	447
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	241
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	1
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

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

9a Plan funding arrangement (check all that apply)

(1)	[X]	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)	[X]	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)	[X]	1	**A** (Insurance Information)
(4)	[X]		**C** (Service Provider Information)
(5)	[X]		**D** (DFE/Participating Plan Information)
(6)	[ ]		**G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

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

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
SANTA CRUZ NUTRITIONALS 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
SANTA CRUZ NUTRITIONALS

D Employer Identification Number (EIN)
43-1979323

Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions

Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier
PRINCIPAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
42-0127290	61271	613486	447	01/01/2015	12/31/2015

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	1791842
5	Current value of plan's interest under this contract in separate accounts at year end	5	13317179

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.	6d	

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ FLEXIBLE INVESTMENT ANNUITY

b	Balance at the end of the previous year			7b	1743446
c	Additions: (1) Contributions deposited during the year	7c(1)	121658		
	(2) Dividends and credits	7c(2)			
	(3) Interest credited during the year	7c(3)	10189		
	(4) Transferred from separate account	7c(4)	138127		
	(5) Other (specify below)	7c(5)	16344		
	▶ LOAN PAYMENT				
	(6) Total additions			7c(6)	286318
d	Total of balance and additions (add lines **7b** and **7c(6)**).			7d	2029764
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	162858		
	(2) Administration charge made by carrier	7e(2)	1797		
	(3) Transferred to separate account	7e(3)	5060		
	(4) Other (specify below)	7e(4)	34849		
	▶ LOAN WITHDRAWAL				
	(5) Total deductions			7e(5)	204564
f	Balance at the end of the current year (subtract line **7e(5)** from line **7d**)			7f	1825200

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

a ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance

e ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug

i ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract

m ☐ Other (specify) ▶

9 Experience-rated contracts:				
a Premiums: (1) Amount received	**9a(1)**			
(2) Increase (decrease) in amount due but unpaid	**9a(2)**			
(3) Increase (decrease) in unearned premium reserve	**9a(3)**			
(4) Earned (**(1)** + **(2)** - **(3)**)			**9a(4)**	
b Benefit charges (1) Claims paid	**9b(1)**			
(2) Increase (decrease) in claim reserves	**9b(2)**			
(3) Incurred claims (add **(1)** and **(2)**)			**9b(3)**	
(4) Claims charged			**9b(4)**	
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	**9c(1)(A)**			
(B) Administrative service or other fees	**9c(1)(B)**			
(C) Other specific acquisition costs	**9c(1)(C)**			
(D) Other expenses	**9c(1)(D)**			
(E) Taxes	**9c(1)(E)**			
(F) Charges for risks or other contingencies	**9c(1)(F)**			
(G) Other retention charges	**9c(1)(G)**			
(H) Total retention			**9c(1)(H)**	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			**9c(2)**	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			**9d(1)**	
(2) Claim reserves			**9d(2)**	
(3) Other reserves			**9d(3)**	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line **9c(2)**.)			**9e**	
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			**10a**	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.			**10b**	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

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.**	**2015** **This Form is Open to Public Inspection.**

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
SANTA CRUZ NUTRITIONALS 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
SANTA CRUZ NUTRITIONALS

D Employer Identification Number (EIN)
43-1979323

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

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

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

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)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 37 50 64	CONTRACT ADMINISTRATOR	9845	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

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

WILSHIRE ASSOCIATES INCORPORATED

95-2755361

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 72	INVESTMENT ADVISORY	0	Yes [X] No [ ]	Yes [ ] No [X]	0	Yes [X] 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
WILSHIRE ASSOCIATES INCORPORATED	27 72	0

(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.
PRINCIPAL LIFE INSURANCE COMPANY 42-0127290	2 BASIS POINTS ANNUALLY ON TOTAL ASSETS UP TO $10 BILLION, 1 BASIS POINT FOR ASSETS GREATER THAN $10 BILLION, AND 0.50 BASIS POINTS (STARTING JANUARY 1, 2014) FOR ASSETS GREATER THAN $17 BILLION IN WILSHIRE'S 3(21) INVESTMENT FIDUCIARY SERVICE.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

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

(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

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

OMB No. 1210-0110

2015

This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
SANTA CRUZ NUTRITIONALS 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
SANTA CRUZ NUTRITIONALS

D Employer Identification Number (EIN)
43-1979323

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE:	PRIN GOVT&HQBND SEP ACCT-I2		
b Name of sponsor of entity listed in (a):	PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-007	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	275824
a Name of MTIA, CCT, PSA, or 103-12 IE:	PRIN MONEY MARKET SA-I3		
b Name of sponsor of entity listed in (a):	PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-024	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	1136723
a Name of MTIA, CCT, PSA, or 103-12 IE:	PRIN INTL EM MKT SEP ACCT-I3		
b Name of sponsor of entity listed in (a):	PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-013	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	105717
a Name of MTIA, CCT, PSA, or 103-12 IE:	PRIN U.S. PROPERTY SA-I3		
b Name of sponsor of entity listed in (a):	PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-027	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	103562
a Name of MTIA, CCT, PSA, or 103-12 IE:	PRIN CORE PLUS BOND SEP ACT-I3		
b Name of sponsor of entity listed in (a):	PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-005	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	815382
a Name of MTIA, CCT, PSA, or 103-12 IE:	PRIN DIV INTL SA-I3		
b Name of sponsor of entity listed in (a):	PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-015	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	545107
a Name of MTIA, CCT, PSA, or 103-12 IE:	PRIN LGCAP S&P 500 INDEX SA-I3		
b Name of sponsor of entity listed in (a):	PRINCIPAL LIFE INSURANCE COMPANY		
c EIN-PN 42-0127290-016	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	632726

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMCAP S&P 600 INDEX SA-I3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-028	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	451439
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN MIDCAP S&P 400 IDX SA-I3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-023	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	800394
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMALLCAP GROWTH I SA-I2			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-070	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	121876
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LARGECAP BLEND II SA-I2			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-065	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	0
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LARGECAP GROWTH I SA-I2			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-066	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	430772
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETM 2010 SEP ACCT-I3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-075	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	485397
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETM 2020 SEP ACCT-I3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-076	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	2259912
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETM 2030 SEP ACCT-I3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-077	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	2813824
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETM 2040 SEP ACCT-I3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-078	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	724523
a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETM 2050 SEP ACCT-I3			
b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY			
c EIN-PN 42-0127290-079	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	520082

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETM STR INC SA-I3

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-080	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 96399

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SMALLCAP VALUE II SA-I2

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-096	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 68807

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETM 2015 SEP ACCT-I3

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-110	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 25860

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETM 2025 SEP ACCT-I3

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-111	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 34075

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETM 2035 SEP ACCT-I3

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-112	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 19857

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETM 2045 SEP ACCT-I3

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-113	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 17443

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETM 2055 SEP ACCT-I3

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-114	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 37533

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN CAPITAL APPR SA-I1

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-119	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 215502

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN EQUITY INCOME SA-I3

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-120	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 433834

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN SHORT-TERM INCOME SA-I3

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-124	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 101432

a Name of MTIA, CCT, PSA, or 103-12 IE: PRIN LIFETM 2060 SEP ACCT-I3

b Name of sponsor of entity listed in (a): PRINCIPAL LIFE INSURANCE COMPANY

c EIN-PN 42-0127290-130	**d** Entity code P	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 43178

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
SANTA CRUZ NUTRITIONALS 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
SANTA CRUZ NUTRITIONALS

D Employer Identification Number (EIN)
43-1979323

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	5174
(2) Participant contributions	1b(2)	0	18692
(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)	434937	418165
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)	13332218	13317179
(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)	690429	623473
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	1718268	1791842
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	16175852	16174525
Liabilities			
g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	45982	23746
k Total liabilities (add all amounts in lines 1g through1j)	1k	45982	23746
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	16129870	16150779

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)	419557	
(B) Participants	2a(1)(B)	1369167	
(C) Others (including rollovers)	2a(1)(C)	32804	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1821528
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)	21161	
(F) Other	2b(1)(F)	10189	
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		31350
(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)	1234	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		1234
(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)	0	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		-48820
(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)		-29337
c Other income	2c		-8180
d Total income. Add all **income** amounts in column (b) and enter total	2d		1767775
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1707716	
(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)		1707716
f Corrective distributions (see instructions)	2f		29304
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	9846	
(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)		9846
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1746866
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		20909
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) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

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

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

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

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	N/A	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	N/A	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			500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	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				
o Did the plan trust incur unrelated business taxable income?	4o				
p Were in-service distributions made during the plan year?	4p				

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

6a Name of trust	**6b** Trust's EIN

6c Name of trustee or custodian	**6d** Trustee's or custodian's telephone number

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

2015

This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
SANTA CRUZ NUTRITIONALS 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
SANTA CRUZ NUTRITIONALS

D Employer Identification Number (EIN)
43-1979323

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): 42-0127290

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):

Part VII IRS Compliance Questions

20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A

22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____ (See instructions for tax law changes and codes).

22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter _____/_____/_____ and the letter's serial number _____.

22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter _____/_____/_____.

23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No

Santa Cruz Holdings, LLC and Subsidiaries

Consolidated Financial Statements
June 25, 2016 and June 27, 2015

Santa Cruz Holdings, LLC and Subsidiaries
Index
June 25, 2016 and June 27, 2015

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Independent Auditor's Report

To the Board of Managers and Management of
Santa Cruz Holdings, LLC

We have audited the accompanying consolidated financial statements of Santa Cruz Holdings, LLC and its subsidiaries, which comprise the balance sheet as of June 25, 2016 and June 27, 2015 and the related consolidated statements of comprehensive income, members' capital and cash flows for the years ended June 25, 2016 and June 27, 2015.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated 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 the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated 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 Company'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 consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Santa Cruz Holdings, LLC and its subsidiaries as of June 25, 2016 and June 27, 2015 and the results of their operations and their cash flows for the years ended June 25, 2016 and June 27, 2015 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it presents deferred taxes in 2016. Our opinion is not modified with respect to this matter.

PricewaterhouseCoopers LLP

September 6, 2016

Santa Cruz Holdings, LLC and Subsidiaries
Consolidated Balance Sheets
June 25, 2016 and June 27, 2015

(in thousands, except unit data)	2016	2015
Assets		
Current assets		
Cash	$ 4,119	$ 15,613
Accounts receivable, net of allowance of $700 and $214 at June 25, 2016 and June 27, 2015	27,990	24,187
Inventories	17,802	10,438
Prepaid expenses and other assets	3,832	1,640
Deferred income tax assets	-	1,363
Prepaid and refundable income taxes	2,547	1,735
Total current assets	56,290	54,976
Property, plant and equipment, net	62,226	42,185
Intangible assets, net	185,724	183,197
Goodwill	231,469	221,751
Other assets	497	646
Total assets	$ 536,206	$ 502,755
Liabilities and Members' Capital		
Current liabilities		
Account payable	$ 11,718	$ 8,934
Accrued expenses	9,868	9,733
Income taxes payable	503	331
Current portion of long-term debt	3,803	2,695
Total current liabilities	25,892	21,693
Long-term debt, net of current portion	276,503	251,337
Deferred income tax liabilities	79,544	82,315
Deferred rent	327	293
Total liabilities	382,266	355,638
Members' capital		
Members' capital - 10,346 and 10,338 units issued and outstanding at June 25, 2016 and June 27, 2015	136,224	135,560
Retained earnings	19,134	11,557
Accumulated other comprehensive loss	(1,418)	-
Total members' capital	153,940	147,117
Total liabilities and members' capital	$ 536,206	$ 502,755

The accompanying notes are an integral part of these consolidated financial statements.

Santa Cruz Holdings, LLC and Subsidiaries
Consolidated Statements of Comprehensive Income
Years Ended June 25, 2016 and June 27, 2015

(in thousands)	2016	2015
Net sales	$ 201,287	$ 185,653
Cost of goods sold	120,753	100,368
Gross profit	80,534	85,285
Operating expenses		
Selling, general and administrative expenses	31,757	23,245
Amortization of intangible assets	16,903	15,375
Business acquisition expenses	889	-
Total operating expenses	49,549	38,620
Income from operations	30,985	46,665
Interest expense, net	14,868	13,563
Loss from early extinguishment of debt	-	1,744
Income before income taxes	16,117	31,358
Income tax expense	8,540	14,450
Net income	7,577	16,908
Foreign currency translation adjustment	(1,418)	-
Comprehensive income	$ 6,159	$ 16,908

The accompanying notes are an integral part of these consolidated financial statements.

Santa Cruz Holdings, LLC and Subsidiaries
Consolidated Statements of Members' Capital
Years Ended June 25, 2016 and June 27, 2015

(in thousands, except unit data)	Members' Capital Units	Members' Capital Amount	Retained Earnings	Accumulated Other Comprehensive Loss	Total Members' Capital
Balances at June 28, 2014	10,338	$ 205,547	$ 10,529	$ -	$ 216,076
Unit-based compensation	-	2,070	-	-	2,070
Excess tax benefits from unit-based compensation	-	406	-	-	406
Distributions	-	(72,463)	(15,880)	-	(88,343)
Net income	-	-	16,908	-	16,908
Balances at June 27, 2015	10,338	135,560	11,557	-	147,117
Unit-based compensation	-	629	-	-	629
Excess tax shortfall from unit-based compensation	-	(129)	-	-	(129)
Unit options exercise	8	164	-	-	164
Net income	-	-	7,577	-	7,577
Foreign currency translation loss	-	-	-	(1,418)	(1,418)
Balances at June 25, 2016	10,346	$ 136,224	$ 19,134	$ (1,418)	$ 153,940

The accompanying notes are an integral part of these consolidated financial statements.

Santa Cruz Holdings, LLC and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended June 25, 2016 and June 27, 2015

(in thousands)	2016	2015
Cash flows from operating activities		
Net income	$ 7,577	$ 16,908
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	6,152	3,932
Amortization of intangible assets	16,903	15,375
Amortization of debt issuance costs	928	784
Unit-based compensation	629	2,070
Provision for doubtful accounts	312	-
Provision for inventory obsolescence	622	97
Excess income tax benefits from unit-based compensation	-	(406)
Loss on sale of assets	109	-
Deferred income taxes	(6,521)	(3,605)
Loss on early extinguishment of debt	-	1,066
Payment-in-kind interest	-	812
Changes in operating assets and liabilities, net of business acquisition		
Accounts receivable	(2,645)	(3,298)
Inventories	(5,252)	70
Prepaid interest	-	(786)
Prepaid expenses and other assets	(2,038)	(816)
Prepaid income taxes	(812)	(339)
Other current assets	6	(3)
Accounts payable	2,947	(114)
Accrued expenses	(584)	876
Income taxes payable	15	(1,464)
Deferred rent	34	91
Net cash provided by operating activities	18,382	31,250
Cash flows from investing activities		
Acquisition of LSN, net of cash acquired of $564	(31,080)	-
Purchase of property and equipment	(24,247)	(19,747)
Proceeds from the sale of equipment	11	-
Net cash used in investing activities	(55,316)	(19,747)
Cash flows from financing activities		
Proceeds from issuance of senior term loan	36,285	139,935
Principal payments on senior term loan	(9,842)	(12,003)
Repayment of subordinated notes	-	(53,898)
Distributions	-	(88,343)
Proceeds from issuance of member units	164	-
Excess income tax benefits from unit-based compensation	-	406
Payment of deferred financing costs	(829)	(193)
Payments on capital leases	(265)	(84)
Net cash provided by (used in) financing activities	25,513	(14,180)
Impact of foreign currency translation on cash flows	(73)	-
Net decrease in cash	(11,494)	(2,677)
Cash		
Beginning of year	15,613	18,290
End of year	$ 4,119	$ 15,613
Supplemental disclosure of cash flow information		
Interest paid	$ 13,280	$ 12,985
Income taxes paid	15,861	19,858
Supplemental disclosure of noncash information		
Purchases of property and equipment in accounts payable	1,417	2,658

The accompanying notes are an integral part of these consolidated financial statements.

(in thousands, except unit data)

1. Organization and Business

Santa Cruz Holdings, LLC and subsidiaries (collectively the "Company") manufacture enhanced confectionary delivery systems for the functional food and supplement, or "nutraceutical," market primarily through its principal operating subsidiary Harmony Foods Corporation, d.b.a. Santa Cruz Nutritionals ("SCN"). In addition, the Company produces a variety of nonfortified gummy snacks and jelly beans, including organic and sugar-free products. The Company, which is headquartered in Santa Cruz, California, sells its products to customers who are located throughout the United States and Canada.

At June 27, 2015, the Company's wholly owned subsidiaries include Santa Cruz Holdco, Inc., SCN Holdco Inc., Harmony Foods Corporation and Santa Cruz Pharmaceuticals, Inc. Santa Cruz Pharmaceuticals, Inc. is a company specializing in the formulation of over-the-counter medicine ("OTC") in a gummy format. As described in Note 3, the Company acquired Life Science Nutritionals Inc. ("LSN") on June 29, 2015. LSN is a Canadian-based nutriceutical company specializing in the manufacturing of premium quality vitamins, minerals and supplements ("VMS") in a gummy format.

The Company is controlled by RoundTable Healthcare Partners, L.P. and Santa Cruz Nutritionals Investors, LLC (collectively "RoundTable").

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates are based on historical experience and information that is available to management about current events and actions the Company may take in the future. Significant items subject to estimates and assumptions include the determination of useful lives and fair value of acquired intangible assets, the determination of the fair value of acquired property and equipment, the evaluation of the recoverability of the carrying value of goodwill and intangible assets, the determination of valuation allowances for receivables, income taxes and inventories, and purchase price allocation. Actual results could differ from those estimates.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Santa Cruz Holdings, LLC, and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Fiscal Period

The Company has a fiscal period ending on the Saturday closest to June 30. The Company's last day of operations for fiscal 2016 was Saturday, June 25, 2016. The Company's last day of operations for fiscal 2015 was Saturday, June 27, 2015.

(in thousands, except unit data)

Cash
The Company considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. Amounts reported as cash include only cash. There were no cash equivalents. The Company maintains cash deposits at various high credit quality financial institutions that are in excess of FDIC-insured limits. The Company held $210 in Canada at June 25, 2016.

Accounts Receivable and Allowance for Doubtful Accounts
Accounts receivable are recorded at invoiced amounts and do not bear interest. The Company maintains an allowance for uncollectible accounts representing estimated losses inherent in its accounts receivable portfolio. In establishing the required allowance, management considers historical losses adjusted to take into account current market conditions, customers' financial position, amount of receivables in dispute (if any), current receivables aging and current payment patterns. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Customer Concentrations
One customer accounted for 10% and two customers accounted for 26% of total revenue for years ended June 25, 2016 and June 27, 2015, respectively. Two customers accounted for 30% of net accounts receivable at June 25, 2016 and three customers accounted for 38% of net accounts receivable at June 27, 2015.

Inventories
Inventories are stated at the lower of first-in, first-out (FIFO) cost or market, and include materials, labor and overhead costs. The Company establishes reserves for slow moving and obsolete inventory based upon its regular review of its inventories and demand activity.

Property, Plant and Equipment
Property, plant and equipment are stated at cost less accumulated depreciation and amortization. Property, plant and equipment acquired in business combinations are recorded at fair value on the date of the acquisition. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Expenditures for ordinary maintenance and repairs are charged to operations as incurred and significant renovations and improvements, which improve and/or extend the useful life of the asset, are capitalized and depreciated over their estimated useful lives. Gains and losses associated with the disposal of property and equipment are included in selling, general and administrative expenses in the consolidated statement of operations.

Depreciation and amortization are provided using the straight-line method over the estimated useful lives as follows:

Machinery and equipment	3–15 years
Office equipment	5 years
Leasehold improvements	(1)

(1) Shorter of estimated useful life or the lease term (5-6 years)

(in thousands, except unit data)

Intangible Assets
Intangible assets acquired in business combinations have been recorded at fair value on the date of acquisition. Intangible assets include customer relationships, proprietary formulas, trademarks, and non-compete agreements. The Company has no indefinite-lived intangible assets. Intangible assets are amortized over useful lives ranging from 5 to 15 years, using the straight-line method and assuming no residual value.

Goodwill
Goodwill is not amortized but is required to be reviewed at least annually for impairment. The Company reviews goodwill for impairment at year end on a reporting unit basis, or more frequently when a triggering event occurs. A reporting unit is an operating segment or one level below an operating segment for which discrete financial information is prepared and is regularly reviewed by management. The Company has two reporting units, SCN and LSN. The Company first assesses qualitative factors to determine whether it is more-likely-than-not that the fair value of the reporting unit is less than its carrying amount. If it is determined to be more-likely-than-not that the fair value of the reporting unit is less than its carrying amount, a quantitative impairment test for goodwill is performed which consists of a two-step process. The first step is to compare the fair value of the reporting unit with its carrying amount. If the carrying value of the reporting unit exceeds its fair value, the second step is performed to measure the amount of the impairment loss, if any. In this second step, if the carrying value of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to the excess, not to exceed the carrying amount of goodwill. Based on the Company's assessment, there was no impairment of goodwill at June 25, 2016 and June 27, 2015.

The following table summarize the changes in the Company's goodwill balance

Goodwill	
Balances at June 27, 2015	$ 221,751
Acquisition of LSN (Note 3)	10,184
Currency translation adjustments	(466)
Balance at June 25, 2016	$ 231,469

There were no changes in the balance during the year ended June 27, 2015.

Long-Lived Asset Impairment
The Company reviews long-lived assets (property, plant and equipment and intangibles assets) to assess recoverability from projected undiscounted cash flows whenever events or changes in facts and circumstances indicate that the carrying value of the assets may not be recoverable. An impairment loss is recognized in operating results when future undiscounted cash flows are less than the assets' carrying value. The impairment loss would adjust the carrying value to the assets' fair value. To date, the Company has not recorded any impairment charges on long-lived assets.

(in thousands, except unit data)

Debt Issuance Costs
Debt issuance costs consist of amounts paid to lenders and third parties in connection with obtaining debt financing. These costs are amortized (and included in interest expense) over the term of the related debt agreements, which range from 5 to 6 years. The Company amortizes costs using the effective interest method. Lender costs are reflected as a reduction in the carrying value of the debt (debt discount), and third party costs are recorded as deferred financing costs and included in other assets. The net carrying value of debt discount and deferred financing costs at June 25, 2016 was $2,351 and $384, respectively. The net carrying value of debt discount and deferred financing costs at June 27, 2015 was $2,307 and $527, respectively. Amortization of deferred financing costs and debt discount included in interest expense for the years ended June 25, 2016 and June 27, 2015 was $928 and $784, respectively.

Future annual amortization expense of debt issuance costs is as follows:

Years Ending June		
2017	$	920
2018		917
2019		877
2020		21
	$	2,735

Fair Value of Financial Instruments
Financial instruments include cash, accounts receivable, accounts payable, accrued liabilities and long-term debt. Cash, receivables, accounts payable, and accrued liabilities are reflected in the consolidated balance sheets at actual costs, which approximates fair value because of the short-term maturity of these instruments.

Fair Value Measurements
FASB Accounting Standard Codification ("ASC) 820 – Fair Value Measurements and Disclosures defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. An asset or liability's level is based on the lowest level of input that is significant to the fair value measurement. ASC 820 requires that financial assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1 Financial assets and liabilities whose values are based on quoted market prices in active markets for identical assets or liabilities.

Level 2 Financial assets and liabilities whose values are based on:

a. Quoted prices for similar assets or liabilities in active markets.

b. Quoted prices for identical or similar assets or liabilities in markets that are not active.

c. Valuation models whose inputs are observable, directly or indirectly, for substantially the full term of the asset or liability.

(in thousands, except unit data)

Level 3 Financial assets and liabilities whose values are based on valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs may reflect estimates of the assumptions that market participants would use in valuing the financial assets and liabilities.

Research and Development
All research and development costs are expensed as incurred, and included in selling, general and administrative expenses. Total research and development costs were $9,106 and $3,560 for the years ended June 25, 2016 and June 27, 2015, respectively.

Revenue Recognition
Revenue is recorded when title and risk of loss pass to the customer (generally upon shipment), the sale price is fixed or determinable, delivery has occurred and collection is reasonably assured. Sales are recognized net of allowances for returns and discounts.

Shipping and Handling Charges
Outbound freight expenses incurred by the Company are included in selling, general and administrative expenses and totaled $2,779 and $2,303 for the years ended June 25, 2016 and June 27, 2015, respectively.

Income Taxes
Santa Cruz Holdings, LLC is a limited liability company that is treated as a partnership for federal and state income tax purposes. The Company recognizes federal and state income taxes arising from its domestic subsidiary corporations. Santa Cruz HoldCo, Inc., SCN Holdco, Inc., and SCN file a consolidated federal return and Santa Cruz Pharmaceutical, Inc. files a separate federal return. The Company's international subsidiary, LSN, files a Canadian return.

Income taxes are accounted for using the asset and liability method that requires the recognition of deferred income tax assets and liabilities based on the difference between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. The effect on deferred income tax assets and liabilities of a change in income tax rates is recognized in income in the period that includes the enactment date.

Valuation allowances are provided if, based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Santa Cruz Pharmaceuticals, Inc. was in a cumulative loss position as of June 25, 2016. Since Santa Cruz Pharmaceutical, Inc. files a separate federal return, the losses could not be utilized to offset the income of Santa Cruz HoldCo, Inc. and subsidiaries for federal tax purposes. Accordingly, a full valuation allowance was provided for the Santa Cruz Pharmaceutical, Inc. federal deferred tax assets.

The Company evaluates uncertain tax positions to determine if it is more-likely-than not that they would be sustained upon examination. The Company records a liability when such uncertainties fail to meet the more-likely-than not threshold. There are no unrecognized benefits related to uncertain tax positions as of the periods presented.

The Company's policy for classifying interest and penalties associated with unrecognized income tax benefits is to include such items as income tax expense in the statement of income. There were no accrued interest or penalties as of June 25, 2016 and June 27, 2015.

(in thousands, except unit data)

Unit-Based Compensation
The Company accounts for unit based awards in accordance with ASC 718 – Stock Compensation and uses the Black-Scholes option pricing model to determine the fair value of equity awards. The Company recognizes the related compensation expenses over the employee's requisite service period.

Foreign Currency Translation and Transactions
The functional currency for the Company's foreign operations is the applicable local currency. Transactions that are denominated in foreign currencies have been translated into the relevant functional currency, and any resulting gain or loss is reported in selling, general and administrative expenses in the accompanying consolidated statement of comprehensive income. During the year ended June 25, 2016, the Company incurred $330 of losses associated with the settlement of transactions denominated in currencies that differ from the functional currency of the Company and its subsidiaries. The translation from the applicable local currencies to U.S. dollars is performed for balance sheet accounts using the exchange rates in effect at the balance sheet date and for income statement accounts using the average exchange rates during each period. The resulting cumulative translation adjustments are recorded as a component of accumulated other comprehensive loss.

Accounting Pronouncements Adopted in 2016
In January 2016, the FASB issued ASU 2016-01, Financial Instruments - Overall: Recognition and Measurement of Financial Assets and Financial Liabilities (Subtopic 825-10). This standard, amongst other updates, provides private companies with the option to no longer disclose the fair value of financial instruments carried at amortized cost. ASU 2016-01 is effective for annual reporting periods beginning after December 15, 2018 for nonpublic entities. Early adoption of the entire standard is not permitted; however, companies have the option to early adopt a portion of the standard and no longer disclose the fair value of financial instruments carried at amortized cost. The Company has elected for early adoption of this portion of ASU 2016-01 for the year ended June 25, 2016, resulting in the elimination of the fair value of debt disclosure.

In November 2015, the FASB issued ASU 2015-17, Balance Sheet Classification of Deferred Taxes (Topic 740). ASU 2015-17 requires that deferred tax liabilities and assets to be classified as noncurrent within the balance sheet. The current requirement that deferred tax liabilities and assets of tax-paying component of an entity be offset and presented as a single amount is not affected by this amendment. ASU 2015-17 should be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. It is effective for annual periods beginning after December 15, 2017, with early adoption permitted. The Company has elected for early adoption of ASU 2015-17, beginning in 2016, on a prospective basis and the prior period was not retrospectively adjusted.

(in thousands, except unit data)

Recent Accounting Pronouncements

In July 2015, the FASB issued ASU 2015-11, Simplifying the Measurement of Inventory (Topic 330). ASU 2015-11 is not applicable to inventory that is measured using last-in, first-out (LIFO) or the retail inventory method. ASU 2015-11 applies to all other inventory, which includes inventory that is measured using first-in, first-out (FIFO) or average cost and requires that inventory be measured at the lower of cost and net realizable value. The guidance in ASU 2015-11 should be applied prospectively. It is effective for fiscal years beginning after December 15, 2016, with early adoption permitted. The Company is currently evaluating the new standard and assessing the potential impact on its operations and financial statements.

In April 2015, the FASB issued ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs (Subtopic 835-30). ASU 2015-03 simplifies the presentation of debt issuance costs. Previously, debt issuance costs were presented on the balance sheet as a deferred charge, an asset account. ASU 2015-03 requires debt issuance costs related to a recognized debt liability to be presented in the balance sheet as a direct deduction from the carrying amount of the debt liability consistent with debt discounts. ASU 2015-03 does not apply to debt issuance costs associated with line of credit or revolver arrangements. It is effective in annual periods beginning on or after December 15, 2015, with early adoption permitted for financial statements that have not been previously issued. The Company is currently evaluating the new standard and assessing the potential impact on its operations and financial statements.

3. Acquisition of Life Science Nutritionals

On June 29, 2015, the Company acquired all of the outstanding stock of LSN (the “Acquisition”). LSN is a Canadian-based nutraceutical company specializing in the manufacturing of VMS in a gummy format. The Company is headquartered and operates a manufacturing facility in Acton Vale, Quebec.

The aggregate purchase price was $31,644, net of post-closing adjustments of $587. The funding of the cash consideration was obtained by additional borrowings of $36,285 of senior debt. The primary elements that generated goodwill are the value of the future growth of the industry and the acquired assembled workforce.

In connection with the Acquisition, the Company incurred $889 in transaction-related costs, which were immediately expensed and are included in business acquisition expenses in the Company’s results of operations for the year ended June 25, 2016.

No indefinite-lived intangible assets were recorded in connection with the Acquisition. The weighted average life of acquired intangible assets is 13 years and there is no estimated residual value. No goodwill recognized is deductible for income tax purposes. The following useful lives and fair values of intangible assets acquired were assigned to the asset classes listed below.

	Useful Life	Fair Value
Customer relationships	15	$ 15,267
Proprietary formulas - LSN products	8	4,466
Trademark	10	668
		$ 20,401

(in thousands, except unit data)

The total purchase consideration has been allocated to the assets acquired and liabilities assumed based on their respective estimated fair values at the date of acquisition, as follows:

Cash	$ 564
Accounts receivable	1,472
Inventories	2,846
Prepaid expenses and other assets	154
Property, plant and equipment	3,417
Identifiable intangible assets	20,401
Total identifiable assets acquired	28,854
Accounts payable	(1,114)
Accrued liabilities	(768)
Capital lease obligations	(148)
Deferred income tax liabilities	(5,364)
Total liabilities assumed	(7,394)
Total identifiable net assets	21,460
Goodwill	10,184
Total net assets acquired	31,644
Cash paid, net of cash acquired	$ 31,080

Inventories that were acquired in the acquisition were valued at fair value and accordingly include a step-up in value of $115 from their historical cost basis which was expensed during the period from June 29, 2015 through June 25, 2016 when the inventory was sold.

4. Inventories

Inventories consist of the following at June 25, 2016 and June 27, 2015:

	2016	2015
Raw materials	$ 7,438	$ 3,851
Packaging	2,736	2,137
Work-in-progress	2,577	2,697
Finished goods	5,051	1,753
Total inventories	$ 17,802	$ 10,438

(in thousands, except unit data)

5. Property, Plant and Equipment

Property, plant and equipment consist of the following at June 25, 2016 and June 27, 2015:

	2016	2015
Machinery and equipment	$ 44,707	$ 38,591
Office equipment	1,232	990
Leasehold improvements	3,722	1,660
Construction in progress	25,494	7,731
	75,155	48,972
Less: Accumulated depreciation	(12,929)	(6,787)
Total property, plant and equipment, net	$ 62,226	$ 42,185

At June 25, 2016 and June 27, 2015, the cost and accumulated amortization of property and equipment held under capital lease agreements was $1,248 and $508, and $951 and $347, respectively. Property, plant, and equipment held under capital lease agreements are included within the machinery and equipment asset class.

Depreciation expense, including amortization of capital lease, for the years ended June 25, 2016 and June 27, 2015 was $6,152 and $3,932, respectively.

6. Intangible Assets

Intangible assets consist of the following at June 25, 2016 and June 27, 2015:

	2016			
	Useful Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Customer relationships	15	$ 158,149	$ 28,942	$ 129,207
Proprietary formulas - non-OTC products	12	50,890	12,392	38,498
Proprietary formulas - OTC products	12	17,530	4,269	13,261
Proprietary formulas - LSN products	8	4,262	533	3,729
Trademark	10	1,128	207	921
Non-compete agreements	5	260	152	108
		$ 232,219	$ 46,495	$ 185,724

(in thousands, except unit data)

	2015			
	Useful Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Customer relationships	15	$ 143,580	$ 18,399	$ 125,181
Proprietary formulas - non-OTC products	12	50,890	8,152	42,738
Proprietary formulas - OTC products	12	17,530	2,808	14,722
Trademark	10	490	94	396
Non-compete agreements	5	260	100	160
		$ 212,750	$ 29,553	$ 183,197

The weighted average useful life of intangible assets was 14 years at June 25, 2016 and June 27, 2015. Amortization expense for the years ended June 25, 2016 and June 27, 2015 was $16,903 and $15,375, respectively.

The change in intangible assets due to currency translation adjustments are shown below.

	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Balance at June 27, 2015	$ 212,750	$ 29,553	$ 183,197
Intangible assets acquired on June 29, 2015	20,401	-	20,401
Amortization of intangible assets	-	16,903	(16,903)
Currency translation adjustments	(932)	39	(971)
Balance at June 25, 2016	$ 232,219	$ 46,495	$ 185,724

Estimated amortization expense for the next five years at June 25, 2016 is as follows:

Years Ending June	
2017	$ 16,942
2018	16,942
2019	16,895
2020	16,890
2021	16,890
Thereafter	101,165
	$ 185,724

(in thousands, except unit data)

7. Debt

Long-term debt consists of the following at June 25, 2016 and June 27, 2015:

	2016	2015
Senior term loan	$ 282,158	$ 255,715
Less: Debt discount	(2,351)	(2,307)
	279,807	253,408
Capital lease obligations	499	624
	280,306	254,032
Less: Current portion of long-term debt	(3,803)	(2,695)
Long-term debt, net of current portion	$ 276,503	$ 251,337

On July 26, 2013, the Company entered into a credit agreement ("Credit Agreement") that provided for borrowings of $143,500 under a term loan ("Term Loan") and $15,000 under a revolving loan facility ("Revolving Loan"). Borrowings under the Term Loan and Revolving Loan, if any, are collateralized by substantially all of SCN's assets and are guaranteed by SCN. SCN paid total lender and third party costs of $3,185. The Term Loan and Revolving Loan mature on July 26, 2019 and July 26, 2018, respectively.

On October 15, 2014, the Company entered into an Amended and Restated Credit Agreement ("2014 Amended Credit Agreement"), which provided a total loan commitment of $272,000 ($15,000 Revolving Credit Facility and $257,000 under the Term Loan), and modified the amount of future scheduled principal payments on the Term Loan to reflect higher principle amounts outstanding following the execution of the 2014 Amended Credit Agreement. In addition, certain covenants, primarily related to leverage ratios, were modified to accommodate the increase in the Term Loan. The proceeds from the 2014 Amended Credit Agreement were utilized to settle $53,898 of Subordinated Notes plus $338 of interest, pay distributions of $84,490 and make payments to option and restricted unit holders of $3,853. As part of the 2014 Amended Credit Agreement and payoff of the Subordinated Notes, the Company wrote off $853 of debt discount and $143 of deferred charges related to the Subordinated Notes, $70 of deferred charges related to the Credit Agreement and $138 of deferred charges related to the Amended Credit Agreement. The facility matures on July 26, 2019.

In connection with the acquisition of LSN, the Company entered into the Third and Fourth Amendments ("2015 Amended Credit Agreement") to the Credit Agreement under which provided a total loan commitment of $307,000 ($15,000 Revolving Credit Facility and $292,000 under the Term Loan), and modified the amount of future scheduled principal payments on the Term Loan to reflect higher principle amounts outstanding following the execution of the 2015 Amended Credit Agreement. SCN paid total lender and third party costs of $829. The proceeds from the 2015 Amended Credit Agreement of $36,285 were utilized to fund the LSN purchase price, pay off the assumed debt, provide LSN with additional working capital, provide for capital improvements and pay for transaction costs. The facility matures on July 26, 2019.

(in thousands, except unit data)

Under the 2014 Amended Credit Agreement, the Term Loan is payable in quarterly installments of $643, with a balloon payment of $244,792. Under the 2015 Amended Credit Agreement, the Term Loan is payable in quarterly installments of $733 with a balloon payment of $272,626 due on the maturity date of the Term Loan. Interest rates on the Term Loan and Revolving Loan are based, at the Company's option, upon the prime rate plus an applicable margin or LIBOR plus an applicable margin. The interest rate on the Term Loan was 5% (minimum LIBOR rate of 1.5% under the Credit Agreement plus applicable margin of 0.5%) as of June 25, 2016. Interest on the Term Loan is payable in 30, 60 or 90 day increments depending on the interest rate election. During the years ended June 25, 2016 and June 27, 2015, the Company made prepayments on the Term Loan totaling $7,000 and $10,000, respectively.

The Revolving Loan provides for revolving credit loans and letters of credit and as of June 25, 2016, there were no revolving credit loans or letters of credit outstanding; therefore $15,000 remains available for additional borrowings under the Revolving Loan. The Revolving Loan is also subject to 0.5% unused line fee. The interest rate for borrowings under the Revolving Loan was 5% as of June 25, 2016 and June 27, 2015.

The 2015 Amended Credit Agreement contains certain restrictions on further borrowings, capital expenditures, acquisitions, and contains a financial covenant for total leverage ratio. The 2015 Amended Credit Agreement allows for optional prepayments without penalty during the duration of the 2015 Amended Credit Agreement and requires prepayment from excess cash flow (as defined). There have been no required prepayments under the excess cash flow (as defined) provision in the agreement since the inception of the Credit Agreement.

Future maturities of long-term debt, excluding debt discount, at June 25, 2016 are as follows:

Years Ending June		
2017	$	3,803
2018		3,084
2019		3,073
2020		272,697
Total future maturities of long-term debt	$	282,657

(in thousands, except unit data)

8. Income Taxes

Components of income tax expense for the years ended June 25, 2016 and June 27, 2015 are as follows:

	2016	2015
Current		
Federal	$ 11,452	$ 14,422
State	3,141	3,633
Foreign	468	-
	15,061	18,055
Deferred		
Federal	(4,555)	(2,069)
State	(1,664)	(1,536)
Foreign	(302)	-
	(6,521)	(3,605)
	$ 8,540	$ 14,450

The actual income taxes provision differs from the amount computed by applying the statutory federal income tax rate (35%) and the statutory state income tax rate (8.58%) to pretax income due to permanent differences between taxable income and the financial statement income, which is primarily due to a valuation allowance provided for the deferred tax assets of Santa Cruz Pharmaceuticals and unit-based compensation expense, partially offset by the federal domestic production deduction available to the Company.

(in thousands, except unit data)

Deferred income tax assets and liabilities consist of the following at June 25, 2016 and June 27, 2015:

	2016	2015
Deferred income tax assets		
Inventory	$ 529	$ 217
Accrued compensation	148	231
Accrued expenses	407	206
Unit-based compensation	318	341
Transaction costs	116	126
State taxes	237	621
Net operating loss	4,452	1,717
Other	269	169
Total gross deferred income tax assets	6,476	3,628
Deferred income tax liabilities		
Intangible assets	(72,520)	(74,641)
Depreciation	(8,935)	(8,311)
Other	(12)	-
Total gross deferred income tax liabilities	(81,467)	(82,952)
Valuation allowance	(4,553)	(1,628)
Net deferred income tax liabilities	$ (79,544)	$ (80,952)

The Company had a federal net operating loss carry forwards from Santa Cruz Pharmaceuticals, Inc. of $12,721 and $4,906 as of June 25, 2016 and June 27, 2015, respectively. The net operating losses will start expiring in 2034.

ASC 740 requires that the tax benefit of net operating losses, temporary differences and credit carryforwards be recorded as an asset to the extent that management assesses that realization is "more likely than not." Realization of the future tax benefits is dependent on the Company's ability to generate sufficient taxable income within the carryforward period. Because of the Company's recent history of operating losses related to Santa Cruz Pharmaceuticals Inc., management believes that recognition of the deferred tax assets arising from its operating losses are currently not likely to be realized and, accordingly, has provided a valuation allowance.

As part of a historical acquisition in 2013, the Company had recorded federal and California income tax receivables of $6,750 and $2,070, respectively. Federal and California tax receivables of $6,693 and $1,396 relate to July 26, 2013 net operating loss carrybacks. At June 27, 2015, the Company received all federal tax refunds. At June 27, 2015 and June 25, 2016, the California refund of $1,396 has not yet been received.

The Company is subject to taxation in the United States, California and Canada. As of June 25, 2016, the US federal income tax returns have open statute of limitations for tax years ended June 2013 and subsequent years. As of June 25, 2016, the Company's state returns have open statute of limitations for tax years ended June 2012 and subsequent years. As of June 25, 2016, the Company's Canadian returns have open statute of limitations for tax years ended June 2013 and subsequent years.

(in thousands, except unit data)

9. Members' Capital

Classes of Equity Units

The Company executed the Operating agreement of Santa Cruz Holdings, LLC on October 10, 2013. Under this agreement, the Company issued 10,000 Common Units, 338 Class B Restricted Units and has the authority to issue an additional 773 Common Units and Class B Units under the stock option and restricted unit plans, respectively. Class B unit holders have the same features as Common Unit holders, except they participate on a pro-rata basis after the Common Unit holders have received their return of capital.

Options and Restricted Units

The Company's LLC agreement provides for employees, directors, officers, and advisors of the Company the ability to purchase Common Units in the Company through the grant of options. In addition, the Company's operating agreement authorizes the issuance of Class B Units to directors, officers and advisors to the Company. The Board of Managers determines to whom options and restricted units are granted, the number of units subject to such options and restricted units, exercise prices and other terms and conditions of the option award. The Board of Managers has issued both time vested restricted units and performance based restricted units. For both the option plan and the time vested restricted units issued to date, there is a five year vesting period. Compensation expense for the years ended June 25, 2016 and June 27, 2015, was $629 and $1,327, respectively.

Option and time vested restricted unit activities are summarized as follows:

	Options for Common Units		Class B Restricted Units	
	Number of Options	Weighted Average Exercise Price	Number of Units	Weighted Average Fair Value
Outstanding at June 28, 2014	81	20,512	250	$ 6,770
Exercisable options at June 28, 2014	-			
Vested Class B units at June 28, 2014			-	
Granted	134	42,852	-	
Exercised	-		(50)	6,770
Cancelled	-		-	
Outstanding at June 27, 2015	215	34,436	200	6,770
Exercisable options at June 27, 2015	-			
Vested Class B units at June, 27, 2015			50	6,770
Granted	39	39,312	-	
Exercised	(8)	20,512	(50)	6,770
Cancelled	(61)	33,760	-	
Outstanding at June 25, 2016	185	36,288	150	6,770
Exercisable options at June 25, 2016	13	20,512		
Vested Class B units at June 25, 2016			100	$ 6,770

(in thousands, except unit data)

The options have a contract period of 10 years with an outstanding weighted average contractual period of 6 years at June 25, 2016. During the years ended June 25, 2016 and June 27, 2015, the Company utilized the Black-Scholes option pricing model for fair valuing its options and units granted during the year. There were no restricted units granted during the year ended June 25, 2016. Options granted in the year ended June 25, 2016 and June 27, 2015 were determined to have a weighted average fair value of $14,375 and $15,828 per unit, respectively. The intrinsic value of options exercised during the year ended June 25, 2016 was $189. Significant assumptions used in this calculation are noted below:

	2016		2015	
	Option Plan	**Restricted Unit Plan**	**Option Plan**	**Restricted Unit Plan**
Expected term (years)	6.75	N/A	6.75	N/A
Volatility	33%	N/A	33 %	N/A
Risk-free interest rate	1.48%	N/A	1.94%, 1.54%	N/A
Dividend	0%	N/A	0.00 %	N/A

Pursuant to ASC 718 – Stock Compensation, the expected volatility assumption used by the Company is based on the historical volatility of comparable public companies in the Company's industry as the Company's equity unit activity is too infrequent to accurately determine volatility for its own units. The Company bases its expected life assumption on the average of the Company's minimum vesting period and contract period for its options. At June 25, 2016, future compensation expense totaling $2,228 will be recognized over approximately five years.

The Company also issued 88 performance based restricted units issued during the period from July 26, 2013 (inception) through the year ended June 28, 2014. The units vest based on certain performance conditions that are outlined in the Operating Agreement. During the year ended June 27, 2015 there was $743 of incremental compensation expense as a result of the payments made on these awards from the refinancing and distributions that took place in October 2014. The vesting of these units is contingent upon a future outcome that management has concluded is not yet probable, and therefore no additional compensation expense has been recognized in the current period.

On October 15, 2014, the Company refinanced its Credit Facility and used the proceeds to retire existing debt and pay a cash distribution to the unit holders, unit option holders and restricted unit holders of the Company. In connection with payment of the distribution, all option and restricted unit holders received payments. The Company's intent was that all unit option and restricted unit holders would receive a total value of $8,449 per unit. The Company's option and restricted unit plans each contain an anti-dilution provision that required an equitable adjustment to the options holders in the event of such recapitalization and as such, payments to them have been accounted for as dividends. As a result of the modification, there was $839 of accelerated compensation expense recorded which has been reflected in selling, general and administrative expenses within the consolidated statement of operations and a $406 excess tax benefit was recognized and has been reflected in the Statement of Members' Capital for the year ended June 27, 2015. Due to the forfeiture of 61 options during the year ended June 25, 2016, an excess tax shortfall of $129 was recognized and has been reflected in the Statement of Members' Capital.

(in thousands, except unit data)

10. Commitments and Contingencies

Leases

The Company leases a manufacturing facility in Santa Cruz, CA under a noncancelable operating lease that is subject to renewal on December 31, 2019. The lease includes seven successive renewal terms of one year each. The Company also leases a manufacturing facility in Acton Vale, Quebec under a noncancelable operating lease that ends on June 30, 2020. The total amount of the base rent payments is being charged to expense on the straight-line method over the term of the original lease. Deferred rent reflects the excess of rent expense on a straight line basis in excess of required cash payments.

Total rent expense was $3,133 and $2,376 for the years ended June 25, 2016 and June 27, 2015.

At June 25, 2016 the future annual minimum rental payments required under noncancelable operating lease agreements were as follows:

Years Ending June		
2017	$	2,519
2018		2,580
2019		2,491
2020		1,273
2021		19
Total future annual minimum lease payments	$	8,882

Under a certain lease agreement, the Company is responsible to pay for certain property taxes, common area maintenance, and other costs which are determined annually, and were $271 for the years ended June 25, 2016 and June 27, 2015, respectively. Under this lease, rent expense, exclusive of property taxes, common area maintenance, and other costs, totaled $2,511 and $2,104 for the years ended June 25, 2016 and June 27, 2015, respectively.

Purchase Agreements

On August 28, 2015, the Company entered into a noncancelable manufacturing and supply agreement on a calendar year basis with a related party to perform certain contract manufacturing of a variety of soft chew nutritional, vitamin, supplement, over-the-counter and prescription gummies. The contract manufacturer was no longer a related party as of June 25, 2016.

At June 25, 2016 the future annual minimum product manufacturing fees required under the manufacturing and supply agreement were as follows:

Years Ending December		
2016	$	2,075
2017		4,099
2018		6,938
2019		8,596
2020		8,596
2021		8,596
Total future annual minimum purchases	$	38,900

(in thousands, except unit data)

Litigation

From time to time, the Company may be involved in various pending, threatened, or alleged legal matters which arise in the ordinary course of business. The Company records provisions in its financial statements for these legal matters when the likelihood of incurring an obligation or loss is both probable and reasonably estimable based on the best available information possessed by the Company. Subsequent revisions to these provisions may occur if the facts and circumstances of these matters changes in future reporting periods. The Company believes that there are currently no legal matters that would have a material adverse effect upon the Company's financial condition or results of operations.

11. Employee Benefit Plan

The Company sponsors a 401(k) retirement savings plan covering substantially all US employees at least 21 years of age. The Company provides a matching contribution of 50% of each participant's contributions up to amounts restricted by the plan, and 25% of each remaining participant's allowable contributions.

Retirement plan expense was $460 and $383 for the years ended June 25, 2016 and June 27, 2015, respectively.

12. Related Party Transactions

RoundTable provides administrative support for national accounts, human resources, and other administrative services to the Company. Expenses reimbursed for such services were $513 and $412 for the years ended June 25, 2016 and June 27, 2015, respectively. These amounts are included in selling, general and administrative expenses in the consolidated statement of operations. In addition to these services, the Company also held subordinated notes payable to RoundTable as described in Note 7, and incurred related interest expense of $2,432, of which $3,251 was paid in cash, for June 28, 2014. On October 15, 2014, the outstanding balance of the subordinated notes of $53,898 plus interest of $338 was repaid. In addition, prepayment penalties of $540 were paid in connection with the repayment of the subordinated notes payable.

The Company has a master services agreement with a contract manufacturer for the eventual production of OTC gummy products. The contract manufacturer was a related party during the year ended June 25, 2016. During the period that the contract manufacturer was a related party, the Company paid the contract manufacturer $5,698 for research and development, validation and other professional services. The contract manufacturer was no longer a related party as of June 25, 2016.

13. Subsequent Events

Subsequent events were evaluated from the balance sheet date through September 6, 2016, the date at which the consolidated financial statements were available to be issued, and has determined there were no subsequent events to recognize or disclose in these consolidated financial statements, other than those matters disclosed herein.

F051TF

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

SANTA CRUZ NUTRITIONALS 401(K) PLAN

EIN 43 1979323
PLAN NUMBER 001
PLAN YEAR 01/01/2015 TO 12/31/2015

(A)	(B) Identity of issuer, 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
	Columbia Funds	Registered Investment Company Columbia MidCap Value A Fund	$ 0.00	$ 432,958.27
*	Principal Life Insurance Company	Insurance Company General Guaranteed Interest	$ 0.00	$ 1,791,841.67
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Core Plus Bond Sep Act-I3	$ 0.00	$ 815,382.28
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Div Intl SA-I3	$ 0.00	$ 545,106.90
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Equity Income SA-I3	$ 0.00	$ 433,833.63
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Govt&HQBnd Sep Acct-I2	$ 0.00	$ 275,824.46
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Intl Em Mkt Sep Acct-I3	$ 0.00	$ 105,716.51
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LargeCap Growth I SA-I2	$ 0.00	$ 430,772.45
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LgCap S&P 500 Index SA-I3	$ 0.00	$ 632,725.72
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTm Str Inc SA-I3	$ 0.00	$ 96,398.52
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTm 2010 Sep Acct-I3	$ 0.00	$ 485,396.79
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTm 2015 Sep Acct-I3	$ 0.00	$ 25,860.04
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTm 2020 Sep Acct-I3	$ 0.00	$ 2,259,911.82
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTm 2025 Sep Acct-I3	$ 0.00	$ 34,074.75
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTm 2030 Sep Acct-I3	$ 0.00	$ 2,813,824.49

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

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

SANTA CRUZ NUTRITIONALS 401(K) PLAN

EIN 43 1979323
PLAN NUMBER 001
PLAN YEAR 01/01/2015 TO 12/31/2015

(A)	(B) Identity of issuer, 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
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTm 2035 Sep Acct-I3	$ 0.00	$ 19,857.36
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTm 2040 Sep Acct-I3	$ 0.00	$ 724,522.75
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTm 2045 Sep Acct-I3	$ 0.00	$ 17,442.90
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTm 2050 Sep Acct-I3	$ 0.00	$ 520,082.49
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTm 2055 Sep Acct-I3	$ 0.00	$ 37,532.69
*	Principal Life Insurance Company	Pooled Separate Accounts Prin LifeTm 2060 Sep Acct-I3	$ 0.00	$ 43,177.95
*	Principal Life Insurance Company	Pooled Separate Accounts Prin MidCap S&P 400 Idx SA-I3	$ 0.00	$ 800,393.54
*	Principal Life Insurance Company	Pooled Separate Accounts Prin Money Market SA-I3	$ 0.00	$ 1,136,722.66
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SmallCap Growth I SA-I2	$ 0.00	$ 121,875.72
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SmallCap Value II SA-I2	$ 0.00	$ 68,806.88
*	Principal Life Insurance Company	Pooled Separate Accounts Prin SmCap S&P 600 Index SA-I3	$ 0.00	$ 451,439.24
*	Principal Life Insurance Company	Pooled Separate Accounts Prin U.S. Property SA-I3	$ 0.00	$ 103,561.75
	Prudential Investment Mgmt Svc	Registered Investment Company Prudential Jenn MdCp Gr A Fund	$ 0.00	$ 190,514.28
*	Principal Life Insurance Company	Pooled Separate Accounts PRIN CAPITAL APPR SA-I1	$ 0.00	$ 215,502.48
*	Principal Life Insurance Company	Pooled Separate Accounts PRIN SHORT-TERM INCOME SA-I3	$ 0.00	$ 101,432.49

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

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

SANTA CRUZ NUTRITIONALS 401(K) PLAN

EIN 43 1979323
PLAN NUMBER 001
PLAN YEAR 01/01/2015 TO 12/31/2015

(A)	(B) Identity of issuer, 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
*	Participant Loans	Range of Interest Rates Rates Range From 5.25% To 6.00%	$ 0.00	$ 418,165.00

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