

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2015</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>	
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 ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>INNOVATIVE PRODUCE, INC. 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/2010</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/2010</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/2010</u>					
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) <u>INNOVATIVE PRODUCE, INC.</u> <div style="display: flex; justify-content: space-between;"> <div><u>POST OFFICE BOX 1952</u> <u>SANTA MARIA, CA 93456-1952</u></div> <div><u>1615 WEST MAIN STREET</u> <u>SANTA MARIA, CA 93458</u></div> </div>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>80-0314690</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>805-928-1590</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>111210</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>80-0314690</u>	2c Plan Sponsor's telephone number <u>805-928-1590</u>	2d Business code (see instructions) <u>111210</u>	
2b Employer Identification Number (EIN) <u>80-0314690</u>					
2c Plan Sponsor's telephone number <u>805-928-1590</u>					
2d Business code (see instructions) <u>111210</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	<u>10/13/2016</u>	<u>DEBORAH A. ADAM</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address ☒ 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: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 148
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) 155
a(2) Total number of active participants at the end of the plan year	6a(2) 131
b Retired or separated participants receiving benefits.....	6b 0
c Other retired or separated participants entitled to future benefits.....	6c 11
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 142
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e
f Total. Add lines 6d and 6e	6f 142
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g 53
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2T 3D 3H	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☐ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III	Form M-1 Compliance Information (to be completed by welfare benefit plans)
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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 C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 INNOVATIVE PRODUCE, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 INNOVATIVE PRODUCE, INC.	D Employer Identification Number (EIN) 80-0314690	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FTJ FUND CHOICE
43-1936221

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

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

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

FTJ FUND CHOICE

43-1936221

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

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

CURATOR ADVISORY, LLC.

77-0582500

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2015 This Form is Open to Public Inspection
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>		
A Name of plan <u>INNOVATIVE PRODUCE, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>INNOVATIVE PRODUCE, INC.</u>	D Employer Identification Number (EIN) <u>80-0314690</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	6197	14792
	(2) Participant contributions	1b(2)	604	1659
	(3) Other	1b(3)	0	
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	
	(2) U.S. Government securities	1c(2)	0	
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)	0	
	(B) All other	1c(3)(B)	0	
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)	0	
	(B) Common	1c(4)(B)	0	
	(5) Partnership/joint venture interests	1c(5)	0	
	(6) Real estate (other than employer real property)	1c(6)	0	
	(7) Loans (other than to participants)	1c(7)	0	
	(8) Participant loans	1c(8)	0	
	(9) Value of interest in common/collective trusts	1c(9)	0	
	(10) Value of interest in pooled separate accounts	1c(10)	0	
	(11) Value of interest in master trust investment accounts	1c(11)	0	
	(12) Value of interest in 103-12 investment entities	1c(12)	0	
	(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	644825	812485
	(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
	(15) Other	1c(15)	0	

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	
(2) Employer real property	1d(2)	0	
e Buildings and other property used in plan operation	1e	0	
f Total assets (add all amounts in lines 1a through 1e)	1f	651626	828936

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	651626	828936
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	74134	
(B) Participants	2a(1)(B)	136248	
(C) Others (including rollovers)	2a(1)(C)	32	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		210414
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-23962
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		186452

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)		
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	9142	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		9142
j Total expenses. Add all expense amounts in column (b) and enter total	2j		9142

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		177310
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☐ Yes ☒ No

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

(1) Name: FRAZIER, LLP

(2) EIN: 95-4108809

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.)		☒		
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		☒		

	Yes	No	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.)		X		
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X		
e Was this plan covered by a fidelity bond?	X			250000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X		
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X		
l Has the plan failed to provide any benefit when due under the plan?		X		
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.				
o Did the plan trust incur unrelated business taxable income?				
p Were in-service distributions made during the plan year?				

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

Innovative Produce, Inc. 401(k) Plan

December 31, 2015 and 2014

Financial Statements

And

Supplementary Schedule

With

Independent Auditors' Report

INNOVATIVE PRODUCE, INC. 401(k) PLAN

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY SCHEDULE
WITH
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Trustees and Plan Administrator
Innovative Produce, Inc. 401(k) Plan
Santa Maria, CA

Report on the Financial Statements

We have audited the accompanying financial statements of Innovative Produce, Inc. 401(k) Plan, which comprise the statements of net assets available for benefits as of December 31, 2015 and 2014, and the related statement of changes in net assets available for benefits for the year ended December 31, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Innovative Produce, Inc. 401(k) Plan as of December 31, 2015 and 2014, and the changes in its net assets available for benefits for the year ended December 31, 2015 in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

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

Frazer, LLP

October 7, 2016
Visalia, California

INNOVATIVE PRODUCE, INC. 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
INVESTMENTS AT FAIR VALUE:		
Registered investment companies, at fair value	\$ <u>812,485</u>	\$ <u>644,825</u>
RECEIVABLES:		
Employer contributions	14,791	6,197
Participant contributions	<u>1,659</u>	<u>604</u>
Total receivables	<u>16,450</u>	<u>6,801</u>
NET ASSETS AVAILABLE FOR BENEFITS	\$ <u><u>828,935</u></u>	\$ <u><u>651,626</u></u>

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

INNOVATIVE PRODUCE, INC. 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2015

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Participant contributions	\$ 136,248
Employer contributions	74,134
Rollover contributions	<u>32</u>

Total additions	<u>210,414</u>
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DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

Net decrease in fair value of investments	23,963
Administrative expenses	<u>9,142</u>

Total deductions	<u>33,105</u>
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NET INCREASE	<u>177,309</u>
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NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of year	<u>651,626</u>
End of year	<u><u>\$ 828,935</u></u>

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

INNOVATIVE PRODUCE, INC. 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of significant plan provisions

The following description of the Innovative Produce, Inc. 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution 401(k) profit sharing and Safe Harbor 401(k) plan sponsored by Innovative Produce, Inc. (a C Corporation) and was established in 2010. Innovative Produce, Inc. has been designated as the Plan Administrator. Effective January 1, 2015, the Plan was amended to allow eligible employees who complete a six-month period of service to participate in the Plan.

The plan is a single-employer plan consisting of related entities, Innovative Produce, Inc. and Faith Farming, LLC. The employers are collectively referred to as the "Company" and the "Employer" throughout the notes to the financial statements.

The Company may make discretionary Safe Harbor 401(k) matching contributions to the Plan, in an amount as determined by the board of directors of the Employer.

Eligibility

All employees, not covered by a collective bargaining agreement, who have one year of service and are 21 years of age or older are eligible to participate in the Plan. According to the most recent Plan amendments, effective January 1, 2015, all employees are eligible to participate in the plan after six months of service. Participation in the Plan is voluntary and eligible employees may enter the Plan on the first day of each plan year and the first day of the seventh month of each plan year.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Under the provisions of the Plan, the Company's 401(k) matching contributions shall not exceed an amount, which constitutes an allowable tax deduction under 404(a) of the Internal Revenue Code. The amount of the matching contribution, if any, shall be determined by the Employer and shall be announced on or before March 31st of the following year. The Employer shall determine the matching contribution at a specified ratio up to a predetermined percentage of pre-tax contributions that were contributed but not withdrawn for the calendar year. In addition to or instead of its matching contribution, the Employer may make discretionary contributions to the Plan on behalf of its eligible participants in such amounts, if any, as shall be determined from time to time by the board of directors of each Employer. Salary deferrals in excess of 5% of Plan Compensation are not eligible for a matching contribution.

Each participant may make contributions during any period for which they receive compensation from the Company in the maximum amount of \$18,000 in 2015. Participants age 50 or older may elect to defer additional "catch up" contributions to the Plan of up to \$6,000 for 2015.

For the year ended December 31, 2015, Employer made Safe Harbor 401(k) matching contributions up to 4%.

INNOVATIVE PRODUCE, INC. 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of significant plan provisions, (continued)

Plan administration

The Company is the Plan Sponsor and the Plan Administrator. The Plan Administrator is responsible for carrying out the duties imposed under ERISA.

Participant accounts

Each participant account is credited with participant contributions and plan income. Allocation of plan income is based on the participant's account balance, as defined.

Vesting

Each participant is fully vested in all Employee contributions and Safe Harbor matching. Vesting of the Employer discretionary contributions is based upon the participant's years of service (defined as a 12-month period with at least 1,000 hours of service) with the Employer as follows:

<u>Years of Service</u>	<u>Percentage</u>
0 - 2 years	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 but less than 6	80%
6 or more	100%

Participants may also become fully vested when the Employee attains the age of 65, dies, or becomes permanently disabled while employed by the Employer.

Notes receivable from participants

The Plan does not allow participants to take a loan from the Plan.

Payment of benefits

Upon termination of service, a participant will receive as benefits either a lump sum amount equal to the value of the participant's vested interest in his/her account, or optional forms of benefits in accordance with the Plan.

Plan termination

Although it has not expressed such intent, the Company reserves the right, at any time, to amend or terminate the Plan by action of its Board of Directors. Upon termination of the Plan, further contributions to the Plan shall cease and all participants who are affected by such termination shall become 100% vested. The assets of the Plan would be distributed to the participants based on each individual participant's interest in the Plan.

INNOVATIVE PRODUCE, INC. 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of significant plan provisions, (continued)

Forfeitures

Forfeitures of terminated participants' non-vested account balances are added to future Employer profit sharing contributions. At December 31, 2015, there were no outstanding forfeitures.

Note 2 - Summary of significant accounting policies

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and present the net assets available for benefits and changes in those net assets.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan Administrator to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Plan Administrator believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

Payment of benefits

Benefits are recorded when paid.

Investment valuation and income recognition

The investments in mutual funds are stated at current market value. The Plan's custodian provides fair values of mutual funds based on quotations from national exchanges for a majority of the assets.

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For accounts that invest exclusively in mutual funds, the total value of the assets of the accounts is based on the net asset value ("NAV"), or price per share, of the underlying mutual fund. See Note 3 for discussion on fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Net change in fair value includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

Administrative expense

As allowable under the Plan, certain costs associated with the Plan's administration are paid from Plan assets.

INNOVATIVE PRODUCE, INC. 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

Note 2 - Summary of significant accounting policies, (continued)

Allocation of the Plan assets

Contributions are allocated to the various funds based on elections made by the participants. At the end of each plan year, each fund's assets are adjusted to current market value. The net market value increase or decrease is allocated proportionately to each participant's account based on the value of the participant's investment in that fund, compared to the total of all participant investments in that fund as of the end of the previous plan year adjusted for contributions, distributions and transfers. Participants are assigned one unit of value for each \$1 of their asset balance.

Note 3 - Fair value measurements

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

Level 2 Inputs to the valuation methodology include:

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

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

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

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2015:

Registered investment companies: Valued at quoted market prices on the last business day of the Plan year.

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

INNOVATIVE PRODUCE, INC. 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

result in a different fair value measurement at the reporting date.

Note 3 - Fair value measurements, (continued)

Investments measured at fair value on a recurring basis consisted of the following types of instruments as of December 31, 2015 and 2014:

<u>Investments-2015</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Registered investment companies	\$ 812,485	\$ -	\$ -	\$ 812,485
Totals	<u>\$ 812,485</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 812,485</u>

<u>Investments-2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Registered investment companies	\$ 644,825	\$ -	\$ -	\$ 644,825
Totals	<u>\$ 644,825</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 644,825</u>

Note 4 - Party-in-interest

Certain Plan investments are shares of mutual funds managed by FTJ FundChoice, LLC ("FTJ"). FTJ is the Custodian under contract arrangements with the Plan's Trustees, and therefore, these investments and transactions qualify as party-in-interest transactions. Fees paid to the FTJ Fund Investments for investment management services amounted to \$9,142 for the year ended December 31, 2015.

Note 5 - Tax status

The Internal Revenue Service ("IRS") issued its latest determination letter on August 18, 2010, which stated that the Plan and its underlying trust qualify under Sections 401(a) and 401(k) of the Internal Revenue Code, and therefore, is exempt from federal income taxes under provision of Section 501(a). On March 31, 2014, IRS opined the Plan is acceptable under section 401 of the IRC for use by employers for the benefit of their employees. Management of the Company and the Plan Administrator believe that the Plan for the year ended December 31, 2015 was designed and operated in compliance with the applicable requirements of the Internal Revenue Code. Based upon certifications made by the Plan Administrator, administration errors, if any that are insignificant or operational in nature, are handled by the Plan Administrator in accordance with applicable Internal Revenue Service correction policies. Therefore, no provision for income taxes has been included in the Plan's financial statements.

No penalties or interest related to income taxes have been incurred during the year ended December 31, 2015. As of December 31, 2015, federal tax returns filed for 2012, 2013 and 2014 remain subject to examination by the taxing authorities.

INNOVATIVE PRODUCE, INC. 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

Note 6 - Valuation of investments

The following table summarizes investments measured at fair value based on net asset value (NAVs) per share as of December 31, 2015 and 2014. As discussed in Note 4, investments with FTJ qualify as party-in-interest. Fair values of investments that represent five percent or more of the Plan's net assets available for benefits are identified by an asterisk (*):

<u>December 31, 2015</u>			Redemption	Redemption
<u>Description</u>	<u>Amount</u>	<u>Unfunded</u>	<u>Frequency</u>	<u>Notice</u>
		<u>Commitments</u>	<u>(if currently</u>	<u>Period</u>
			<u>eligible)</u>	
FTJ Funds Choice:				
American Century Heritage Inv.	\$ 17,258	n/a	Daily	1 day
AQR N Diversified Arbitrage	14,300	n/a	Daily	1 day
AQR Managed Futures Strategy	18,512	n/a	Daily	1 day
Arbitrage Event Driven I	14,144	n/a	Daily	1 day
Artisan Midcap Value Inv.	14,855	n/a	Daily	1 day
Artisan Value Inv.	13,492	n/a	Daily	1 day
Baron Select Emerging Markets	29,680	n/a	Daily	1 day
BBH Core Select - Retail	25,823	n/a	Daily	1 day
Blackrock Float Rate Income Instl.	18,195	n/a	Daily	1 day
Brandes Instl Emerging Markets I	16,190	n/a	Daily	1 day
Clipper Fund	16,002	n/a	Daily	1 day
Dodge & Cox Stock	21,585	n/a	Daily	1 day
* DoubleLineTotal Return Bond I	82,376	n/a	Daily	1 day
Eaton Vance Para Structural				
Emerging Markets	11,917	n/a	Daily	1 day
Fidelity Contrafund	22,881	n/a	Daily	1 day
FMI Large Cap	18,867	n/a	Daily	1 day
Guggenheim Macro Opp. Instl.	32,393	n/a	Daily	1 day
Harbor Cap Apprec. Instl.	25,308	n/a	Daily	1 day
Harbor International	29,501	n/a	Daily	1 day
Ivy High Income A	20,101	n/a	Daily	1 day
Ivy Science & Tech Y	10,734	n/a	Daily	1 day
Lazard Intl Strategy Equity Instl.	34,831	n/a	Daily	1 day
Loomis Sayles I Bond	25,020	n/a	Daily	1 day
Natixis ASG Managed Futures				
Strategy A	17,801	n/a	Daily	1 day
Nuance Concentrated Value Instl	13	n/a	Daily	1 day
* Oakmark Global	42,366	n/a	Daily	1 day
Oakmark Select	18,660	n/a	Daily	1 day
Osterweis Strategic Income	31,940	n/a	Daily	1 day
PIMCO Total Return Instl.	4	n/a	Daily	1 day
PIMCO Trends Mgd Futures Strat				
Inst	14,089	n/a	Daily	1 day
PIMCO Unconstrained Bond	8	n/a	Daily	1 day
T Rowe Price Floating Rate	17,977	n/a	Daily	1 day
TD Institutional Money Market	8,604	n/a	Daily	1 day

INNOVATIVE PRODUCE, INC. 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

Note 6 - Valuation of investments, (continued)

Touchstone Sands Capital Instl.				
Growth	26,777	n/a	Daily	1 day
Vanguard Emerging Mkts Index				
Admiral	20,179	n/a	Daily	1 day
Vanguard European Stock Index				
Admiral	28,420	n/a	Daily	1 day
Westport I Select Capital	6,813	n/a	Daily	1 day
* William Blair Bond	44,869	n/a	Daily	1 day
	<u> </u>			
Total	\$ 812,485			

December 31, 2014

<u>Description</u>	<u>Amount</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
FTJ Funds Choice:				
American Century Heritage Inv.	\$ 12,907	n/a	Daily	1 day
AQR N Diversified Arbitrage	13,154	n/a	Daily	1 day
Arbitrage Event Driven I	13,660	n/a	Daily	1 day
Artisan Midcap Value Inv.	12,138	n/a	Daily	1 day
Artisan Value Inv.	16,976	n/a	Daily	1 day
Baron Select Emerging Markets	25,234	n/a	Daily	1 day
BBH Core Select - Retail	23,557	n/a	Daily	1 day
Blackrock Float Rate Income Instl.	13,845	n/a	Daily	1 day
Brandes Instl Emerging Markets I	14,557	n/a	Daily	1 day
Clipper Fund	17,570	n/a	Daily	1 day
Dodge & Cox Stock	16,867	n/a	Daily	1 day
* DoubleLineTotal Return Bond I	63,923	n/a	Daily	1 day
* Dreyfus Bond Market Index Inv.	34,590	n/a	Daily	1 day
Eaton Vance Para Structural				
Emerging Markets	15,814	n/a	Daily	1 day
Fidelity Contrafund	16,930	n/a	Daily	1 day
FMI Large Cap	21,286	n/a	Daily	1 day
* Guggenheim Macro Opp. Instl.	33,897	n/a	Daily	1 day
Harbor Cap Apprec. Instl.	24,373	n/a	Daily	1 day
Harbor International	23,210	n/a	Daily	1 day
Ivy High Income A	16,031	n/a	Daily	1 day
Ivy Science & Tech Y	8,278	n/a	Daily	1 day
Lazard Intl Strategy Equity Instl.	27,128	n/a	Daily	1 day
* Loomis Sayles I Bond	39,669	n/a	Daily	1 day
* Oakmark Global	34,007	n/a	Daily	1 day
Oakmark Select	18,098	n/a	Daily	1 day
* Osterweis Strategic Income	33,252	n/a	Daily	1 day
PIMCO Total Return Instl.	42	n/a	Daily	1 day

INNOVATIVE PRODUCE, INC. 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

PIMCO Unconstrained Bond	111	n/a	Daily	1 day
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Note 6 - Valuation of investments, (continued)

T Rowe Price Floating Rate	13,572	n/a	Daily	1 day
TD Institutional Money Market	10,410	n/a	Daily	1 day
Touchstone Sands Capital Instl. Growth	23,880	n/a	Daily	1 day
Westport I Select Capital	<u>5,859</u>	n/a	Daily	1 day
Total	<u>\$ 644,825</u>			

The net decrease in the fair value of investments for 2015 consisted of the following:

<u>Description</u>	<u>Gain (loss)</u>
FTJ Funds Choice:	
American Century Heritage Inv.	\$ 92
AQR N Diversified Arbitrage	(719)
AQR Managed Futures Strategy	110
Arbitrage Event Driven I	(1,183)
Artisan Midcap Value Inv.	(1,542)
Artisan Value Inv.	(933)
Baron Select Emerging Markets	(3,208)
BBH Core Select - Retail	(701)
Blackrock Float Rate Income Instl.	108
Brandes Instl Emerging Markets	(3,474)
Clipper Funds	1,129
Dodge & Cox Stock	(963)
DoubleLine Total Return Bond I	1,554
Dreyfus Bond Market Index Inv.	244
Eaton Vance Parametric Structural Emerging Markets	(1,695)
Fidelity Contrafund	1,168
FMI Large Cap	(223)
Guggenheim Macro Opp. Instl.	(297)
Harbor Cap Apprec. Instl.	2,871
Harbor International	(1,369)
Ivy High Income A	(1,610)
Ivy Science & Tech Y	(383)
Lazard Intl Strategy Equity Instl.	(794)
Loomis Sayles I Bond	(2,410)
Natixis ASG Managed Futures Stragety A	(596)
Nuance Concentrated Value Instl	(1)
Oakmark Global	(1,822)
Oakmark Select	(540)
Osterweis Strategic Income	(135)
PIMCO Trends Mgd Futures Strat Inst	(600)
PIMCO Unconstrained Bond	1
T Rowe Price Floating Rate	164
TD Institutional Money Market	1

INNOVATIVE PRODUCE, INC. 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

Note 6 - Valuation of investments, (continued)

Touchstone Sands Capital Instl. Growth	119
Vanguard Emerging Mkts Index Admiral	(1,551)
Vanguard European Stock Index Admiral	(3,905)
Westport I Select Cap	(747)
William Blair Bond	(123)
	<hr/>
Total	\$ <u>(23,963)</u>

Note 7 - Risks and uncertainties

The Plan provides for investments in various investment securities which, in general, are exposed to various risks such as interest rate, credit and overall market volatility. Further, due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that such change could materially affect the participants' account balances and the amounts reported in the financial statements.

Note 8 - Subsequent events

Effective January 1, 2016, the Plan was amended and restated in its entirety.

Management of the Plan evaluated the events and transactions subsequent to its December 31, 2015 financial statement date and, in accordance with FASB ASC 855-10-50, *Subsequent Events*, determined there were no significant events necessary for disclosure through October 7, 2016, which is the financial statement issue date.

INNOVATIVE PRODUCE, INC. 401(k) PLAN
PLAN NUMBER 001
EMPLOYER IDENTIFICATION NUMBER 80-0314690

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2015

(b) IDENTITY OF ISSUE, BORROWER, LESSOR (a) OR SIMILAR PARTY		(c) DESCRIPTION	(d) COST	CURRENT (e) VALUE
*	FTJ Fund Choice	American Century Heritage Inv.	\$ 17,258	\$ 17,258
*	FTJ Fund Choice	AQR N Diversified Arbitrage	14,300	14,300
*	FTJ Fund Choice	AQR Managed Futures Strategy	18,512	18,512
*	FTJ Fund Choice	Arbitrage Event Driven I	14,144	14,144
*	FTJ Fund Choice	Artisan MidCap Value Inv.	14,855	14,855
*	FTJ Fund Choice	Artisan Value Inv.	13,492	13,492
*	FTJ Fund Choice	Baron Select Emerging Markets	29,680	29,680
*	FTJ Fund Choice	BBH Core Select - Retail	25,823	25,823
*	FTJ Fund Choice	Blackrock Float Rate Income Instl.	18,195	18,195
*	FTJ Fund Choice	Brandes Instl Emerging Markets	16,190	16,190
*	FTJ Fund Choice	Clipper Fund	16,002	16,002
*	FTJ Fund Choice	Dodge & Cox Stock	21,585	21,585
*	FTJ Fund Choice	DoubleLine I Total Return Bond	82,376	82,376
*	FTJ Fund Choice	Eaton Vance Emerging Mkts	11,917	11,917
*	FTJ Fund Choice	Fidelity Contrafund	22,881	22,881
*	FTJ Fund Choice	FMI Large Cap Fund	18,867	18,867
*	FTJ Fund Choice	Guggenheim Macro Opp. Instl.	32,393	32,393
*	FTJ Fund Choice	Harbor Cap Appr. Instl.	25,308	25,308
*	FTJ Fund Choice	Harbor International	29,501	29,501
*	FTJ Fund Choice	Ivy High Income A	20,101	20,101
*	FTJ Fund Choice	Ivy Science & Tech Y	10,734	10,734
*	FTJ Fund Choice	Lazard Intl Strategy Equity Intl.	34,831	34,831
*	FTJ Fund Choice	Loomis Sayles I Bond	25,020	25,020
*	FTJ Fund Choice	Natixis ASG Managed Futures Strategy A	17,801	17,801
*	FTJ Fund Choice	Nuance Concentrated Value Instl	13	13
*	FTJ Fund Choice	Oakmark Global	42,366	42,366
*	FTJ Fund Choice	Oakmark Select	18,660	18,660
*	FTJ Fund Choice	Osterweis Strategic Income	31,940	31,940
*	FTJ Fund Choice	PIMCO Total Return Inst	4	4
*	FTJ Fund Choice	PIMCO Trends Mgd Futures Strat Inst	14,089	14,089
*	FTJ Fund Choice	PIMCO Unconstrained Bond	8	8
*	FTJ Fund Choice	T Rowe Price Floating Rate	17,977	17,977
*	FTJ Fund Choice	TD Institutional Money Market	8,604	8,604
*	FTJ Fund Choice	Touchstone Snds Cap Grwth	26,777	26,777
*	FTJ Fund Choice	Vanguard Emerging Mkts Index Admiral	20,179	20,179
*	FTJ Fund Choice	Vanguard European Stock Index Admiral	28,420	28,420
*	FTJ Fund Choice	Westport I Select Capital	6,813	6,813
*	FTJ Fund Choice	William Blair Bond	44,869	44,869
Total investments			\$ <u>812,485</u>	\$ <u>812,485</u>

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

Form 5500Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

▶ **Complete all entries in accordance with the instructions to the Form 5500.**OMB Nos. 1210-0110
1210-0089**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 ☒ a single-employer plan; ☐ a DFE (specify) _____
- B** This return/report is: ☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
- C** If the plan is a collectively-bargained plan, check here. ▶ ☐
- D** Check box if filing under: ☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description) _____

Part II Basic Plan Information—enter all requested information**1a** Name of plan

INNOVATIVE PRODUCE, INC. 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001**1c** Effective date of plan 01/01/2010**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)

INNOVATIVE PRODUCE, INC.

2b Employer Identification Number (EIN)
80-0314690**2c** Plan Sponsor's telephone number
(805) 928-1590**2d** Business code (see instructions)
111210

POST OFFICE BOX 1952

1615 WEST MAIN STREET

SANTA MARIA, CA 93456-1952

SANTA MARIA, CA 93458

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*Deborah A. Adam**10/12/16*

DEBORAH A. ADAM

Signature of plan administrator

Date

Enter name of individual signing as plan administrator

SIGN HERE*Deborah A. Adam**10/12/16*

DEBORAH A. ADAM

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 ☒ 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: a Sponsor's name	4b EIN 4c PN
---	-----------------------------------

5 Total number of participants at the beginning of the plan year	5	148
---	----------	-----

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)	155
--	--------------	-----

a(2) Total number of active participants at the end of the plan year	6a(2)	131
---	--------------	-----

b Retired or separated participants receiving benefits.....	6b	0
--	-----------	---

c Other retired or separated participants entitled to future benefits.....	6c	11
---	-----------	----

d Subtotal. Add lines 6a(2) , 6b , and 6c	6d	142
---	-----------	-----

e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	
---	-----------	--

f Total. Add lines 6d and 6e	6f	142
---	-----------	-----

g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	53
--	-----------	----

h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0
--	-----------	---

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
--	----------	--

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

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

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
---	---

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

a Pension Schedules

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

b General Schedules

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

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

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

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

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

11c Enter the Receipt Confirmation Code for the 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 _____

INNOVATIVE PRODUCE, INC. 401(k) PLAN
PLAN NUMBER 001
EMPLOYER IDENTIFICATION NUMBER 80-0314690

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2015

(b) IDENTITY OF ISSUE, BORROWER, LESSOR (a) OR SIMILAR PARTY		(c) DESCRIPTION	(d) COST	CURRENT (e) VALUE
*	FTJ Fund Choice	American Century Heritage Inv.	\$ 17,258	\$ 17,258
*	FTJ Fund Choice	AQR N Diversified Arbitrage	14,300	14,300
*	FTJ Fund Choice	AQR Managed Futures Strategy	18,512	18,512
*	FTJ Fund Choice	Arbitrage Event Driven I	14,144	14,144
*	FTJ Fund Choice	Artisan MidCap Value Inv.	14,855	14,855
*	FTJ Fund Choice	Artisan Value Inv.	13,492	13,492
*	FTJ Fund Choice	Baron Select Emerging Markets	29,680	29,680
*	FTJ Fund Choice	BBH Core Select - Retail	25,823	25,823
*	FTJ Fund Choice	Blackrock Float Rate Income Instl.	18,195	18,195
*	FTJ Fund Choice	Brandes Instl Emerging Markets	16,190	16,190
*	FTJ Fund Choice	Clipper Fund	16,002	16,002
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