# 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
STEEL MASTERS L.P. 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 05/01/2007

**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)
STEEL MASTERS, L.P.

2214 BLALOCK
HOUSTON, TX 77080-5408

**2b** Employer Identification Number (EIN)
74-2174625

**2c** Plan Sponsor's telephone number
713-464-8652

**2d** Business code (see instructions)
331110

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

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

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/17/2016 | TOM COALE |
| | **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 [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** | 260 |
| **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)** | 239 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 243 |
| **b** Retired or separated participants receiving benefits | **6b** | 7 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 18 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c**. | **6d** | 268 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 0 |
| **f** Total. Add lines **6d** and **6e**. | **6f** | 268 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 80 |
| **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 3B 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) | | **9b** Plan benefit arrangement (check all that apply) | |
|---|---|---|---|
| **(1)** | [ ] Insurance | **(1)** | [ ] Insurance |
| **(2)** | [ ] Code section 412(e)(3) insurance contracts | **(2)** | [ ] Code section 412(e)(3) insurance contracts |
| **(3)** | [X] Trust | **(3)** | [X] Trust |
| **(4)** | [ ] General assets of the sponsor | **(4)** | [ ] General assets of the sponsor |

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

**a Pension Schedules**

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

**b General Schedules**

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] 0 **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_____

# 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
STEEL MASTERS L.P. 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
STEEL MASTERS, L.P.

**D** Employer Identification Number (EIN)
74-2174625

## 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 | 0 |
| **(2)** Participant contributions | 1b(2) | 0 | 0 |
| **(3)** Other | 1b(3) | | |
| **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) | 92683 | 115745 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 2445696 | 2194684 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | | |
| | **(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 | 2538379 | 2310429 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 2538379 | 2310429 |

## 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) | 121920 | |
| | **(B)** Participants | 2a(1)(B) | 178679 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 300599 |
| **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) | 4650 | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 4650 |
| | **(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) | 81627 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 81627 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | | |
| | **(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) | | |
| (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) | | -104565 |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 282311 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 495351 | |
| (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) | | 495351 |
| f Corrective distributions (see instructions) | 2f | | |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | 13100 |
| h Interest expense | 2h | | |
| i Administrative expenses: **(1)** Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | 1810 | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 1810 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 510261 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | -227950 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

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

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

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

**(1)** Name: CARLOS TABOADA & COMPANY, PC **(2)** EIN: 45-2609906

**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 | | |
| b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 4b | | X | | |

| | | Yes | No | 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 | | |
| d | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | | |
| e | Was this plan covered by a fidelity bond? | 4e | X | | | 1000000 |
| f | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | | |
| g | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | | |
| h | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | | |
| i | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | | |
| j | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | | X | | |
| k | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | | |
| l | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | | |
| m | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | | |
| n | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | | | |
| 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
STEEL MASTERS L.P. 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
STEEL MASTERS, L.P.

**D** Employer Identification Number (EIN)
74-2174625

## 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): 95-2769620

**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: 0.0% 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 |

# STEEL MASTERS, LP 401(K) PLAN

# FINANCIAL STATEMENTS

# DECEMBER 31, 2015 AND 2014

# WITH INDEPENDENT AUDITORS' REPORT

CONTENTS


| | PAGE |
|---|---|
| INDEPENDENT AUDITORS' REPORT | 3-4 |
| FINANCIAL STATEMENTS | |
| STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS | 5 |
| STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS | 6 |
| NOTES TO FINANCIAL STATEMENTS | 7-13 |
| SUPPLEMENTAL SCHEDULES | |
| SCHEDULE OF ASSETS HELD | 14 |
| SCHEDULE OF REPORTABLE TRANSACTIONS | 15 |

Carlos Taboada & Company, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

# Independent Auditors' Report

Plan Administrator
Steel Masters, LP 401(K) Plan
Houston, Texas

**Report on the Financial Statements**
We were engaged to audit the accompanying financial statements of Steel Masters, LP 401(K) Plan, which comprise the statement 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 years then ended, and the notes to the financial statements.

**Management's Responsibility for 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 conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Basis for Disclaimer of Opinion**
As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in the note D to the financial statements, which was certified by Capital Bank and Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds certain of the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2015 and 2014, that the information provided to the Plan administrator by the trustee is complete and accurate.

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

**Other Matters**
The supplemental schedules of (1) Schedule of Assets Held, and (2) Schedule of Reportable Transactions as of or for the year ended December 31, 2015 are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis of Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules referred to above.

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OFFICE (281)606-3050 | FAX (281)606-3075 | EMAIL INFO@TABOADACPA.COM | WWW.TABOADACPA.COM

**Report on Form and Content in Compliance With DOL Rules and Regulations**

The form and content of the information included in the financial statements and supplementary schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Carlos Taboada & Company, P.C.

October 14, 2016

# STEEL MASTERS, LP 401(K) PLAN

## STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

## DECEMBER 31, 2015 AND 2014

| | 2015 | 2014 |
|---|---|---|
| **ASSETS** | | |
| Participant directed investments, at fair value shares of registered investments | $ 2,194,684 | $ 2,445,697 |
| Participants' loans | 115,745 | 91,111 |
| Receivables | | |
| Employees' contributions | - | 6,310 |
| Employer's contributions | - | 8,423 |
| Total Receivables | - | 14,733 |
| **Total Assets** | $ 2,310,429 | $ 2,551,541 |
| **LIABILITIES** | | |
| Accrual for excess contribution | $ - | $ 14,400 |
| Total liabilities | - | 14,400 |
| **NET ASSETS AVAILABLE FOR BENEFITS** | $ 2,310,429 | $ 2,537,141 |

See accompanying notes to financial statements.

## STEEL MASTERS, LP 401(K) PLAN

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

## FOR YEARS ENDED DECEMBER 31, 2015 AND 2014

| | 2015 | 2014 |
|---|---|---|
| **ADDITIONS TO NET ASSETS ATTRIBUTED TO** | | |
| Contributions | | |
| Participants' | $ 171,478 | $ 208,692 |
| Employer's | 121,920 | 151,049 |
| Roth | 7,201 | 6,343 |
| | 300,599 | 366,084 |
| Gains (Loss) from registered investments | (104,565) | 32,835 |
| Interest and dividend income | 81,627 | 79,055 |
| Interest from loans | 4,650 | 3,303 |
| **Total Additions** | 282,311 | 481,277 |
| **DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO** | | |
| Benefits paid to participants | 508,451 | 157,722 |
| Administrative expenses | 572 | 1,449 |
| **Total Deductions** | 509,023 | 159,171 |
| **NET (DECREASE) INCREASE** | (226,712) | 322,106 |
| **NET ASSETS AVAILABLE FOR BENEFITS** | | |
| **BEGINNING OF YEAR** | 2,537,141 | 2,215,035 |
| **END OF YEAR** | $ 2,310,429 | $ 2,537,141 |

See accompanying notes to financial statements.

## STEEL MASTERS, LP 401(K) PLAN

## NOTES TO FINANCIAL STATEMENTS

### NOTE A - DESCRIPTION OF PLAN

The following description of the Steel Masters, LP 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 plan covering all full-time employees of Steel Masters, LP who have 90 days of service. The Plan became effective May 1, 2007. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Benefits under the Plan are provided by a trust fund. All assets in the Plan are subject to participant investment directions.

***Contributions*** - Each year, participants may contribute up to the maximum percentage allowable of their pretax annual income, subject to the limits set by the Internal Revenue Code. Steel Masters, LP may make discretionary matching contributions in addition to any safe harbor matching contribution. The maximum discretionary matching contribution that can be made on behalf of any participant is 4% of compensation.

***Participant Accounts*** - Each participant's account is credited with the participant's contribution and allocations of (a) the Steel Masters, LP's safe harbor and discretionary matching contribution, (b) Plan earnings, and (c) forfeitures of terminated participants' invested amounts, and (d) charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

***Vesting and Forfeitures*** - The participants contributions and Steel Masters, LP's safe harbor contribution are 100% vested. Vesting in Steel Masters, LP's discretionary matching contribution portion of a participant's accounts is based on years of service at 20% per plan year after two years of service. A participant is 100% vested in the Steel Masters, LP's discretionary matching contributions after six years of service. A year of service is defined as completing at least 1,000 hours of service during the Plan year. Forfeitures of matching contributions will be used to reduce Steel Masters, LP's matching contributions.

***Payment of Benefits*** - On termination of service, participants may elect to have his or her vested account distributed in one lump sum or as specified in the plan.

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Basis of Accounting*** - The financial statements of the Plan are prepared under the accrual method of accounting.

***Use of Estimates*** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates. The most critical estimate is the fair value of the investments.

## NOTE B - CONTINUED

***Investment Valuation and Income Recognition*** - The Plan's investments are stated at fair value. Shares of mutual funds with American Funds and other mutual funds are valued at quoted market prices which represent the net asset value held by the Plan at the end of its fiscal year. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the accrual basis as recognized by the different portfolios managed by American Funds.

***Participant loans*** - Participants may borrow from the Plan. The loan amount is limited the lesser of (1) $50,000 (less any outstanding loans) with a minimum of $1,000 or (2) 50% of their vested interest in the Plan. The loans are secured by the balance in the participant account and bear interest at 4.25%. Principal and interest are paid ratably through payroll deductions. These loans are considered to be fully collectible; accordingly, an allowance for doubtful amounts has not been established.

***Payment of Benefits*** - Benefits are recorded when paid.

***Date of Management Review*** - Subsequent events were evaluated through October 14, 2016 , which is the date the financial statements were available to be issued. Based on the results of the evaluation, no adjustments or additional disclosures have been made to the financial statements.

## NOTE C - FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefit. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The financial statements reflect the adoption of the fair value measurements established by the Accounting Standards Codification (ASC) Section 820. ASC Sec 820 establishes a single authoritative definition of fair value, sets a framework for measuring fair value and requires additional disclosures about fair value measurement. In accordance with ASC Sec 820, the Plan classifies its investments into Level 1, which refers to securities traded in an active market; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available or Level 1 securities where there is a contractual restriction; and Level 3, which refers to securities not traded in an active market and for which no significant observable market inputs are available.

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 measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**NOTE C - CONTINUED**

The following table provides further details of the fair value measurements.

| | | Fair Value Measurements Using | | |
|---|---|---|---|---|
| | Fair Value | Level 1 | Level 2 | Level 3 |
| December 31, 2015 | | | | |
| Registered investments | | | | |
| Target Date | $1,146,773 | $1,146,773 | $ - | $ - |
| Growth and Income | 224,712 | 224,712 | - | - |
| Growth | 257,681 | 257,681 | - | - |
| Bonds | 246,661 | 246,661 | - | - |
| Equity Income | 161,791 | 161,791 | - | - |
| Balanced | 125,711 | 125,711 | - | - |
| Cash Equivalent | 31,355 | 31,355 | - | - |
| Total | $2,194,684 | $2,194,684 | $ - | $ - |
| December 31, 2014 | | | | |
| Registered investments | | | | |
| Target Date | $1,306,845 | $1,306,845 | $ - | $ - |
| Growth and Income | 314,507 | 314,507 | - | - |
| Growth | 269,530 | 269,530 | - | - |
| Bonds | 226,643 | 226,643 | - | - |
| Equity Income | 185,611 | 185,611 | - | - |
| Balanced | 108,095 | 108,095 | - | - |
| Cash Equivalent | 34,466 | 34,466 | - | - |
| Total | $2,445,697 | $2,445,697 | $ - | $ - |

The following is a description of the valuation methodologies used for assets valued at fair value:

Registered investments (mutual funds)- Valued at the net asset value of the shares held by the Plan at year end.

There have been no changes in the methodologies used in 2015 and 2014.

## NOTE D - DEPARTMENT OF LABOR LIMITED SCOPE AUDIT

The information provided and certified by Capital Bank and Trust Company (CBTC) with regard to investment assets, investment transactions, income, contributions, distributions, other expense transactions, fund information, and the schedules of assets held for investment purposes was relied upon by us and not included in the scope of our audit.

The following information included in the accompanying financial statements and supplemental schedule were obtained from information that has been prepared and certified to us as complete and accurate by CBTC:

Participant directed investments, at fair value

| | 2015 | 2014 |
|---|---|---|
| American Balanced Fund | $ 125,711 | $ 108,095 |
| American Funds 2010 Target Date | 73,434 | 92,979 |
| American Funds 2015 Target Date | 7,986 | 7,175 |
| American Funds 2020 Target Date | 574,904 | 772,039 |
| American Funds 2025 Target Date | 270,234 | 250,448 |
| American Funds 2030 Target Date | 55,011 | 48,651 |
| American Funds 2035 Target Date | 69,091 | 59,091 |
| American Funds 2040 and 2045 Target Date | 90,566 | 74,667 |
| American Funds 2050 and 2055 Target Date | 5,547 | 1,795 |
| Capital Income Builder | 161,791 | 185,611 |
| Capital World Growth and Income | 192,757 | 282,550 |
| Cash Management Trust of America | 31,355 | 34,466 |
| Europacific Growth Fund | 45,408 | 62,747 |
| New Perspective Fund | 44,305 | 35,569 |
| Smallcap World Fund | 89,929 | 96,365 |
| The Bond Fund of America | 104,289 | 99,940 |
| The Growth Fund of America | 78,039 | 74,849 |
| The Investment Company of America | 31,955 | 31,957 |
| U.S. Government Securities Fund | 142,372 | 126,703 |
| Total | $ 2,194,684 | $ 2,445,697 |
| Loans to participants | $ 115,745 | $ 92,684 |
| Contributions | $ 300,599 | $ 352,923 |
| Gains, interest and dividend income from registered investments | $ (22,938) | $ 111,890 |

## NOTE D - CONTINUED

| | 2015 | 2014 |
|---|---|---|
| Interest from loans | $ 4,650 | $ 3,303 |
| Benefits paid | $ 508,451 | $ 157,722 |
| Administrative expenses | $ 572 | $ 1,449 |

## NOTE E - INVESTMENTS

The following presents investments that represent 5% or more of the Plan's net assets at December 31, 2015 and 2014.

| | 2015 | 2014 |
|---|---|---|
| American Funds 2020 Target Date | $ 574,904 | $ 772,039 |
| American Funds 2025 Target Date | 270,234 | 250,448 |
| Capital World Growth and Income | 192,757 | 282,550 |
| Capital Income Builder | 161,791 | 185,611 |
| U.S. Government Securities Fund | 142,372 | 126,703 |
| American Funds Balanced Fund | 125,711 | 108,095 |
| Total | $ 1,467,769 | $ 1,725,446 |

The above investments are participant directed.

During 2015 and 2014, the Plan's investments (including gains and losses on investments bought and sold, as well as investments held at year end) (decreased) or increased in value by $(104,565) and $32,835, respectively.

## NOTE F - TAX STATUS

The Plan is based on the Alliance Benefit Group Of Houston, Inc. Prototype Non-Standardized 401(k) Profit Sharing Plan and Trust. During 2001 the Internal Revenue Service determined and informed the sponsor that the master plan is acceptable and in accordance with section 401 of the Internal Revenue Code. Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designated and is currently being operated in compliance with the applicable requirements of the Internal Revenue code and therefore believes the Plan is qualified and the the related trust is tax-exempt.

## NOTE F - TAX STATUS-CONTINUED

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service and the Department of Labor. The plan administrator has analyzed the tax positions taken by the plan and has concluded that as of December 31, 2015, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2012.

## NOTE G - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per financial statements to the Form 5500:

| | |
|---|---|
| Net assets available for benefits per financial statements | $ 2,310,429 |
| Adjustments as a result of audit procedures | |
| None | - |
| Net Assets Available for Benefits Per Form 5500 | $ 2,310,429 |

The following is a reconciliation of contributions, earnings, and expenses per financial statements to the Form 5500:

| | Contributions | Earnings | Expenses |
|---|---|---|---|
| Per financial statements | $ 300,599 | $ (18,288) | $ 509,023 |
| Accrual from prior year | - | - | 1,238 |
| Per Form 5500 | $ 300,599 | $ (18,288) | $ 510,261 |

## NOTE H—RELATED PARTY TRANSACTIONS

During 2015 and 2014, Steel Masters, LP paid certain expenses associated with the Plan's operations. This includes the the cost of the limited scope audit and third party administration fees. These fees were approximately $11,000 and $9,800, respectively.

Certain Plan investments are shares of mutual funds that are associated with CBTC. CBTC is the trustee as defined by the Plan. These transactions qualify as exempt party-in-interest transactions. No fees were paid for investment management services for the year ending December 31, 2015.

## NOTE I—PLAN TERMINATION

Although it has not expressed any intent to do so, Steel Masters, LP has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

## NOTE J - RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

## NOTE K - SUBSEQUENT EVENTS

During June 22, 2016, the Plan changed trustee from CBTC to American United Life Insurance Company (AUL).

## STEEL MASTERS, LP 401(K) PLAN

## SCHEDULE OF ASSETS HELD AT THE END OF YEAR

## DECEMBER 31, 2015

**INVESTMENTS**

| IDENTITY OF ISSUE | DESCRIPTION OF INVESTMENT | CURRENT VALUE |
|---|---|---|
| American Balanced Fund | Mutual Fund | $ 125,711 |
| American Funds 2010 Target Date * | Mutual Fund | 73,434 |
| American Funds 2015 Target Date * | Mutual Fund | 7,986 |
| American Funds 2020 Target Date * | Mutual Fund | 574,906 |
| American Funds 2025 Target Date * | Mutual Fund | 270,234 |
| American Funds 2030 Target Date * | Mutual Fund | 55,011 |
| American Funds 2035 Target Date * | Mutual Fund | 69,091 |
| American Funds 2045 Target Date * | Mutual Fund | 90,348 |
| American Funds 2040 Target Date * | Mutual Fund | 217 |
| American Funds 2050 Target Date * | Mutual Fund | 4,586 |
| American Funds 2055 Target Date * | Mutual Fund | 960 |
| Capital Income Builder | Mutual Fund | 161,791 |
| Capital World Growth and Income | Mutual Fund | 192,757 |
| Cash Management Trust of America | Mutual Fund | 31,355 |
| Europacific Growth Fund | Mutual Fund | 45,408 |
| New Perspective Fund | Mutual Fund | 44,305 |
| Smallcap World Fund | Mutual Fund | 89,929 |
| The Bond Fund of America | Mutual Fund | 104,289 |
| The Growth Fund of America | Mutual Fund | 78,039 |
| The Investment Company of America | Mutual Fund | 31,955 |
| U.S. Government Securities Fund | Mutual Fund | 142,372 |
| Total | | $ 2,194,684 |
| **LOANS** | | $ 115,745 |

* Represents an exempt party-in interest

See independent auditors' report.

# STEEL MASTERS, LP 401(K) PLAN

## SCHEDULE OF REPORTABLE TRANSACTIONS

## DECEMBER 31, 2015

| IDENTITY OF ISSUE | DESCRIPTION OF INVESTMENT | COST OF ACQUISITION | PROCEEDS OF DISPOSITION |
|---|---|---|---|
| Acquisitions | None | | |
| Dispositions | None | | |

See independent auditors' report.

## STEEL MASTERS, LP 401(K) PLAN

## SCHEDULE OF ASSETS HELD AT THE END OF YEAR

## DECEMBER 31, 2015

**INVESTMENTS**

| IDENTITY OF ISSUE | DESCRIPTION OF INVESTMENT | CURRENT VALUE |
|---|---|---|
| American Balanced Fund | Mutual Fund | $ 125,711 |
| American Funds 2010 Target Date * | Mutual Fund | 73,434 |
| American Funds 2015 Target Date * | Mutual Fund | 7,986 |
| American Funds 2020 Target Date * | Mutual Fund | 574,906 |
| American Funds 2025 Target Date * | Mutual Fund | 270,234 |
| American Funds 2030 Target Date * | Mutual Fund | 55,011 |
| American Funds 2035 Target Date * | Mutual Fund | 69,091 |
| American Funds 2045 Target Date * | Mutual Fund | 90,348 |
| American Funds 2040 Target Date * | Mutual Fund | 217 |
| American Funds 2050 Target Date * | Mutual Fund | 4,586 |
| American Funds 2055 Target Date * | Mutual Fund | 960 |
| Capital Income Builder | Mutual Fund | 161,791 |
| Capital World Growth and Income | Mutual Fund | 192,757 |
| Cash Management Trust of America | Mutual Fund | 31,355 |
| Europacific Growth Fund | Mutual Fund | 45,408 |
| New Perspective Fund | Mutual Fund | 44,305 |
| Smallcap World Fund | Mutual Fund | 89,929 |
| The Bond Fund of America | Mutual Fund | 104,289 |
| The Growth Fund of America | Mutual Fund | 78,039 |
| The Investment Company of America | Mutual Fund | 31,955 |
| U.S. Government Securities Fund | Mutual Fund | 142,372 |
| Total | | $ 2,194,684 |
| **LOANS** | | $ 115,745 |

* Represents an exempt party-in interest

See independent auditors' report.