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 04/01/2015 and ending 03/31/2016

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
F. RADICH MOTORS, INC. 401(K) PLAN

1b Three-digit plan number (PN) ▶ 003

1c Effective date of plan 11/01/1990

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

8550 LAGUNA GROVE DRIVE
ELK GROVE, CA 95758

2b Employer Identification Number (EIN)
94-2348502

2c Plan Sponsor's telephone number
916-226-7000

2d Business code (see instructions)
441110

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.	01/16/2017	MARGARET TADLOCK
	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)
MICHAEL S. HAWES
MICHAEL S. HAWES AND ASSOCIATES
2250 DOUGLAS BLVD STE 160
ROSEVILLE, CA 95661

Preparer's telephone number
916-791-9095

3a Plan administrator's name and address ☐ Same as Plan Sponsor

F.RADICH MOTORS, INC.

8550 LAGUNA GROVE DRIVE
ELK GROVE, CA 95758

3b Administrator's EIN: 94-2348502

3c Administrator's telephone number: 916-226-7000

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**	99
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)**	99
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	114
b	Retired or separated participants receiving benefits	**6b**	
c	Other retired or separated participants entitled to future benefits	**6c**	12
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	126
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	
f	Total. Add lines **6d** and **6e**.	**6f**	126
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	36
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	
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 3D

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

(1)	☐	**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)	X	**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_____

SCHEDULE I (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information—Small Plan

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 04/01/2015 and ending 03/31/2016

A Name of plan
F. RADICH MOTORS, INC. 401(K) PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
F.RADICH MOTORS, INC.

D Employer Identification Number (EIN)
94-2348502

Complete Schedule I if the plan covered fewer than 100 participants as of the beginning of the plan year. You may also complete Schedule I if you are filing as a small plan under the 80-120 participant rule (see instructions). Complete Schedule H if reporting as a large plan or DFE.

Part I Small Plan Financial Information

Report below the current value of assets and liabilities, income, expenses, transfers and changes in net assets during the plan year. Combine the value of plan assets held in more than one trust. Do not enter the value of the portion of an insurance contract that guarantees during this plan year to pay a specific dollar benefit at a future date. 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.**

			(a) Beginning of Year	**(b)** End of Year
1	**Plan Assets and Liabilities:**			
a	Total plan assets	**1a**	2026661	1817817
b	Total plan liabilities	**1b**		
c	Net plan assets (subtract line 1b from line 1a)	**1c**	2026661	1817817
2	**Income, Expenses, and Transfers for this Plan Year:**		**(a)** Amount	**(b)** Total
a	Contributions received or receivable:			
	(1) Employers	**2a(1)**		
	(2) Participants	**2a(2)**	88721	
	(3) Others (including rollovers)	**2a(3)**		
b	Noncash contributions	**2b**		
c	Other income	**2c**	-92507	
d	Total income (add lines 2a(1), 2a(2), 2a(3), 2b, and 2c)	**2d**		-3786
e	Benefits paid (including direct rollovers)	**2e**	202358	
f	Corrective distributions (see instructions)	**2f**		
g	Certain deemed distributions of participant loans (see instructions)	**2g**		
h	Administrative service providers (salaries, fees, and commissions)	**2h**		
i	Other expenses	**2i**	2700	
j	Total expenses (add lines 2e, 2f, 2g, 2h, and 2i)	**2j**		205058
k	Net income (loss) (subtract line 2j from line 2d)	**2k**		-208844
l	Transfers to (from) the plan (see instructions)	**2l**		

3 **Specific Assets:** If the plan held assets at anytime during the plan year in any of the following categories, check "Yes" and enter the current value of any assets remaining in the plan as of the end of the plan year. Allocate the value of the plan's interest in a commingled trust containing the assets of more than one plan on a line-by-line basis unless the trust meets one of the specific exceptions described in the instructions.

			Yes	**No**	**Amount**
a	Partnership/joint venture interests	**3a**		X	
b	Employer real property	**3b**		X	
c	Real estate (other than employer real property)	**3c**		X	
d	Employer securities	**3d**		X	
e	Participant loans	**3e**		X	

			Yes	No	Amount
3f	Loans (other than to participants)	3f		X	
g	Tangible personal property	3g		X	

Part II Compliance Questions

4 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 plan year or classified during the year as uncollectible? Disregard participant loans secured by the participant's account balance.	4b		X		
c Were any leases to which the plan was a party in default or classified during the year as uncollectible?	4c		X		
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a.)	4d		X		
e Was the plan covered by a fidelity bond?	4e	X			150000
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 at any time hold 20% or more of its assets in any single security, debt, mortgage, parcel of real estate, or partnership/joint venture interest?	4i		X		
j Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4j		X		
k Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? If "No," attach an IQPA's report or 2520.104-50 statement. (See instructions on waiver eligibility and conditions.)	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		X		

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

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

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

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part III	**Trust Information**

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

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

F. RADICH MOTORS, INC. 401(K) PLAN
FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

YEARS ENDED
MARCH 31, 2016 AND 2015

F. RADICH MOTORS, INC. 401(K) PLAN
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Michael S. Hawes
& associates

A Professional Corporation

Member A.I.C.P.A.
Member A.I.C.P.A - Tax Division
Member A.I.C.P.A - Private Companies Practice Section
Member - California Society of CPA's
Member of International Tax Committee
Member of National Institute of Pension Administrators - NIPA

INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of
F. Radich Motors, Inc. 401(k) Plan

We were engaged to audit the accompanying financial statements of F. Radich Motors, Inc. 401(k) Plan, which comprise the statement of net assets available for benefits as of March 31, 2016, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits 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 Note 4, which was certified by Ascensus, Inc., Ascensus Trust Company, the custodian of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the custodian as of and for the years ended March 31, 2016 and 2015, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter – Supplemental Schedules

The supplemental schedule of Assets Held at Year End as of or for the year ended March 31, 2016, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

2250 Douglas Blvd., Suite 160 Roseville, CA 95661 P: 916.791.9095 F: 916.791.9098 www.hawescpa.com

Other Matter— March 31, 2015 Financial Statements

The financial statements of the Plan as of March 31, 2015, were audited by predecessor auditors. 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 (ERISA), the plan administrator instructed the predecessor auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by Ascensus Trust Company, the custodian of the Plan. Their report, dated January 13, 2016, indicated that (a) because of the significance of the information that they did not audit, they were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the custodian, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

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 supplemental schedule, other than that derived from the information certified by the custodian, has 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.



Michael S. Hawes, CPA
Michael S. Hawes & Associates
A Professional Corporation
Roseville, California

January 11, 2017

F. RADICH MOTORS, INC. 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
MARCH 31, 2016 AND 2015

	2016	2015
ASSETS		
Investments - Participant Directed, at Fair Market Value	$ 1,817,817	$ 2,026,661
Total Assets	$ 1,817,817	$ 2,026,661
NET ASSETS AVAILABLE FOR BENEFITS		
Net Assets Available for Benefits	$ 1,817,817	$ 2,026,661
Total Liabilities and Net Assets Available for Benefits	$ 1,817,817	$ 2,026,661

See accompanying notes to financial statements

F. RADICH MOTORS, INC. 401(K) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED MARCH 31, 2016

	2016
ADDITIONS TO NET ASSETS	
Investment Income	
Net Appreciation (Depreciation) in Fair Value of Investments	$ (206,089)
Dividends and Interest	12,797
Capital Gain (Loss)	100,785
	(92,507)
Contributions	
Participant Deferrals	88,721
Total Additions to Net Assets	(3,786)
DEDUCTIONS FROM NET ASSTS	
Benefits Paid Directly to Participants	202,358
Administrative Expenses	2,700
Total Deductions from Net Assets	205,058
Net Decrease	(208,844)
NET ASSETS AVAILABLE FOR BENEFITS	
Beginning of Year	2,026,661
End of Year	$ 1,817,817

See accompanying notes to financial statements

NOTE 1 – DESCRIPTION OF THE PLAN

The following brief description of the F. Radich Motors, Inc. 401(k) Plan is provided for general information purposes only. 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 and part-time employees of the Company who are age 21 or older and have one year and 1,000 hours of service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Plan Year
The Plan year begins April 1 and ends March 31.

Contributions
The Plan allows for the following types of contributions:

Salary Deferral 401(k) Contributions: The Plan includes an elective salary deferral arrangement pursuant to section 401(K) of the Code. Employees are automatically enrolled into the Plan upon eligibility. Employees may voluntarily contribute up to 100% of their eligible compensation, subject to various nondiscrimination tests and limitations prescribed by the Code, and they may choose to opt out of the automatic enrollment.

Employer Matching Contributions: The Sponsor has a discretionary matching contribution. Matching contributions are allocated to eligible participants based upon a discretionary percentage of the employee's salary deferral. Participants must be employed with the plan sponsor on the last day of the plan year and complete 1,000 hours of service during the plan year in order to receive an allocation of the matching contribution. The plan sponsor did not make matching contributions in the years ended March 31, 2016 and 2015.

Employer Non-Elective Contributions: The Plan Sponsor may make discretionary non-elective profit sharing contributions to the Plan. Non-elective contributions are allocated to eligible participants based on eligible compensation. Participants must be employed with the Plan Sponsor on the last day of the Plan year and complete 1,000 hours of service during the Plan year in order to receive an allocation of the non-elective contribution. The Plan Sponsor did not make non-elective contributions in years ended March 31, 2016 and 2015.

Rollover Contributions: Participants may make rollover contributions from another qualified plan.

Participant Accounts and Allocations
The Plan allows participants the ability to self-direct the investment of their contributions into various investment options offered by the Plan. Participants are allowed to invest their accounts in any one of the funds or a combination of funds. The Plan currently offers various mutual funds as investment options to participants. Each participants account is credited with the participant's contribution, the Company's discretionary matching or profit sharing contributions, if any, and Plan earnings (losses). Allocations are based on participant's contributions or account balances as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

NOTE 1 – DESCRIPTION OF THE PLAN (CONTINUED)

Vesting
Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's matching and/or profit sharing contribution portion of their accounts is based on years of continuous service. The vesting schedule is as follows:

Years of Vesting Service	Percent Vested
Less than 2	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%

Forfeited Accounts
Forfeitures of matching contributions are used to reduce the employer liability for current contributions of matching contributions. Forfeitures of profit sharing contributions are reallocated as an additional profit sharing contribution. There were no forfeitures available to reduce contributions for the years ended March 31, 2016 and 2015.

Retirement
Normal retirement under the Plan is the date a participant attains age 65. There are no early retirement provisions provided under the Plan.

Payment of Benefits
On termination of service due to death, disability or retirement, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a 10-year period. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles of the United States (U.S. GAAP).

Use of Estimates
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets and liability and changes therein, and disclosure of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation and Income Recognition
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. The Plan Committee determines the Plan's valuation policies utilizing information provided by the investment advisors, custodians and insurance company. See Note 5 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the plan's gains and losses on investments bought and sold as well as held during the year.

Excess Contributions Payable
Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding reduction to contributions. There were no excess contributions payable to participants for the years ended March 31, 2016 and 2015.

Payments of Benefits
Benefit payments to participants are recorded upon distribution. Amounts allocated to accounts of persons who elected to withdraw from the Plan have all been paid as of March 31, 2016.

Administration Fees
The Plan pays all of the Plan costs, which are comprised of its annual audit fee, investment management expenses and other costs. For the years ended March 31, 2016 and 2015, these costs amounted to $2,700.

Subsequent Events
The Plan evaluates events occurring subsequent to the date of the financial statements in determining the accounting for disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through January 11, 2017, the date the financial statements were available to be issued and management has determined that no subsequent events have occurred that should be disclosed.

Recent Accounting Pronouncements
In July 2015, the Financial Accounting Standards Board (FASB) issued ASU 2015-12, Plan Accounting Defined Contribution Pension Plans (Topic 962) (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient. GAAP requires plans to disclose (1) individual investment that represent 5% or more of net assets available for benefits and (2) the net appreciation or depreciation for investments by general type. The ASU designates contract value as the only measure for Fully Benefit-Responsive Investment Contracts and removes the requirements to: disclose individual investments held which exceed 5% of net assets available for benefits, disclose net appreciation or depreciation in fair value by investment type, and disaggregate investments reported in the fair value hierarchy by class of investment rather than by general type of investment. The amendments of this update are effective for fiscal years beginning after December 31, 2015. Earlier application is permitted.

The Plan has not adopted ASU 2015-12 for the Plan year ending March 31, 2016.

NOTE 3 – PLAN ADMINISTRATION AND CUSTODIAL ARRANGEMENTS

All Plan investments and custodian duties are with Ascensus Trust Company, Administration and recordkeeping is performed by Ascensus.

NOTE 4 – INFORMATION CERTIFIED BY THE CUSTODIAN

Amounts included in the financial statements and supplemental schedule were taken directly from statements provided and certified as complete and accurate by the custodian, Ascensus, Inc., Ascensus Trust Company, for the years ended March 31, 2016 and 2015.

	3/31/2016	3/31/2015
Pooled separate accounts	$ 1,817,817	$ 2,026,661
Net (depreciation) appreciation in fair value of investments	$ (206,089)	
Dividends and Interest	$ 12,797	
Capital Gains	$ 100,785	

NOTE 5 – FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The framework for measuring fair value 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 or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology that 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;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the fill term of the asset or liability.

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

NOTE 5 – FAIR VALUE MEASUREMENTS (CONTINUED)

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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

No Level 2 inputs were available to the Plan, and Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

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 March 31, 2016 and 2015.

- *Pooled Separate Accounts*
  Pooled separate accounts invest mainly in mutual funds both domestic and international. The majority of the underlying assets have Level 1 quoted pricing inputs and observable Level 2 pricing inputs, including quoted prices for similar assets in active or non-active markets.

- *Fixed Accounts*
  Valued at fair value based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer assigned input Level 2.

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of March 31, 2016 and 2015.

	Assets at Fair Value as of March 31, 2016		
	Level 1	Level 2	Level 3
Pooled Separate Accounts	$ -	$ 1,817,817	$ -
Fixed Income Account	-	-	-
Total Assets at Fair Value	$ -	$ 1,817,817	$ -

	Assets at Fair Value as of March 31, 2015		
Pooled Separate Accounts	$ -	$ 2,026,661	$ -
Fixed Income Account	-	-	-
Total Assets at Fair Value	$ -	$ 2,026,661	$ -

NOTE 6 – INVESTMENTS

The following presents investments that represent 5% or more of the Plan's net assets for the years ended March 31, 2016 and 2015:

	2016	2015
Prudential Jennison Value A	$ 111,285	$ 117,363
Prudential Jennison Small Company A	226,284	256,886
Oppenheimer Global A	258,377	271,546
MFS Research A	113,587	110,462
American Century Equity Income R	190,597	179,597
Putnam Voyager R	220,412	241,241
Franklin Growth R	440,444	428,435
Franklin Rising Dividends R	148,863	159,722
(CL)Reich & Tang US Govt Portfolio	-	168,762

During the year ended March 31, 2016, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by ($206,089).

NOTE 7 – PLAN TERMINATION

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

NOTE 8 - RELATED-PARTY TRANSACTIONS

The Plan recordkeeping and administration is provided by Ascensus, which is the administrator as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Such transactions are permitted under the provisions of the Plan and are specifically exempt from the prohibition of party-in-interest transactions under ERISA. For the year ended March 31, 2016, the costs amounted to $2,700.

NOTE 9 - TAX STATUS

The Internal Revenue Service has determined and informed the Company by letter, that the Plan and related trust are designated in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and the related trust is tax-exempt.

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 Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Plan management has determined that as of March 31, 2016 there are no uncertain tax positions taken or expected to be taken that would require recognition or disclosure in the financial statements. The Plan is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress. Plan management believes it is no longer subject to income tax examinations for years prior to 2009.

NOTE 10 - RISK 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 change could materially affect the amounts reported in the statement of net assets available for benefits.

SUPPLEMENTAL INFORMATION

F. RADICH MOTORS, INC. 401(K) PLAN
EIN NUMBER: 94-2348502
PLAN NUMBER: 004

SCHEDULE H, LINE 4I – SCHEDULE OF ASSETS HELD AT YEAR END
MARCH 31, 2016

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of Investment	(d) Cost	(e) Current Value
*	Prudential Jennison Value A	Mutual Funds	-	111,285
*	Prudential Government Income A	Mutual Funds	-	20,172
*	Prudential Jennison Small Company Fd A	Mutual Funds	-	226,284
*	Prudential High-Yield A	Mutual Funds	-	18,823
*	Oppenheimer Global Fund A	Mutual Funds	-	258,377
*	MFS Research Fund A	Mutual Funds	-	113,587
*	Fidelity Advisor Freedom 2020 Fund	Mutual Funds	-	18,362
*	Fidelity Advisor Freedom 2030 Fund	Mutual Funds	-	441
*	Fidelity Advisor Freedom 2040 Fund	Mutual Funds	-	9,986
*	American Century Equity Income R	Mutual Funds	-	190,597
*	Putnam Voyager R	Mutual Funds	-	220,412
*	Franklin Growth R	Mutual Funds	-	440,444
*	Franklin Rising Dividends R	Mutual Funds	-	148,863
*	Ivy Mid Cap Growth Fd R	Mutual Funds	-	12,165
*	Victory Sycamore Established Value R	Mutual Funds	-	4,703
*	Franklin Conservative Allocation R	Mutual Funds	-	844
*	Hartford Inflation Plus Fund R3	Mutual Funds	-	6,277
*	R&T U.S. Govt Portfolio Investor Select	Mutual Funds	-	16,195
				1,817,817

* Party-in-Interest

Note: Cost basis is omitted as all investments are participant directed.

F. RADICH MOTORS, INC. 401(K) PLAN
EIN NUMBER: 94-2348502
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