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 10/01/2015 and ending 09/30/2016

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
J. LEE MILLIGAN, INC. EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 10/01/1976

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)
J. LEE MILLIGAN, INC.

9200 TRIANGLE DRIVE
AMARILLO, TX 79120

2b Employer Identification Number (EIN)
75-0971715

2c Plan Sponsor's telephone number
806-373-4386

2d Business code (see instructions)
237310

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.	07/18/2017	CHARLES WHITE
	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**	422
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)**	300
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	291
b	Retired or separated participants receiving benefits	**6b**	3
c	Other retired or separated participants entitled to future benefits	**6c**	128
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	422
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	3
f	Total. Add lines **6d** and **6e**.	**6f**	425
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	422
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	15
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

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) [ ] ___ **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 10/01/2015 and ending 09/30/2016

A Name of plan
J. LEE MILLIGAN, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
J. LEE MILLIGAN, INC.

D Employer Identification Number (EIN)
75-0971715

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)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		749
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	670	92397
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		2751620
(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)	24976734	30497124
	(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	24977404	33341890
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		6596591
j	Other liabilities	1j		40483
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	6637074
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	24977404	26704816

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)	99088	
	(B) Participants	2a(1)(B)		
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)	1260340	
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1359428
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	2489	
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		2489
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(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)	4260049	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		4260049

		(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)		19320
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		5641286
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3873391	
(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)		3873391
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		40483
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		3913874
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		1727412
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) [X] Unqualified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: STEWART MARTIN DUDLEY & WEBB, P.C. **(2)** EIN: 75-2290093

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 10/01/2015 and ending 09/30/2016

A Name of plan
J. LEE MILLIGAN, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
J. LEE MILLIGAN, INC.

D Employer Identification Number (EIN)
75-0971715

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): 75-0971715 _____

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☒ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☒ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☒ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☒ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Part VII IRS Compliance Questions

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

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

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

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

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

J. LEE MILLIGAN, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2016 AND 2015

with

INDEPENDENT AUDITOR'S REPORT

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STEWART
MARTIN
DUDLEY
WEBB, PC

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Employee Stock Ownership Plan Committee
J. Lee Milligan, Inc. Employee Stock Ownership Plan and Trust

We have audited the accompanying financial statements of J. Lee Milligan, Inc. Employee Stock Ownership Plan and Trust (the Plan), which comprise the statements of net assets available for benefits as of September 30, 2016 and 2015, and the related statements of changes in net assets available for benefits for the years 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 our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of J. Lee Milligan, Inc. Employee Stock Ownership Plan and Trust as of September 30, 2016 and 2015, and the changes in its net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule of assets held for investment purposes as of September 30, 2016, is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Stewart, Martin, Dudley & Webb, P.C.

Amarillo, Texas
July 17, 2017

FINANCIAL STATEMENTS

J. LEE MILLIGAN, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

September 30, 2016 and 2015

	September 30, 2016			September 30, 2015		
ASSETS	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Investment in J. Lee Milligan, Inc., at fair value - common stock	$23,583,124	$6,914,000	$30,497,124	$24,976,734	$ -	$24,976,734
Other investments, at fair value:						
Mutual funds	2,751,620	-	2,751,620	-	-	-
Cash and cash equivalents	92,397	-	92,397	670	-	670
Total investments	26,427,141	6,914,000	33,341,141	24,977,404	-	24,977,404
Receivables - accrued interest	749	-	749	-	-	-
Total assets	26,427,890	6,914,000	33,341,890	24,977,404	-	24,977,404
LIABILITIES AND NET ASSETS						
Liabilities:						
Interest payable	-	40,483	40,483	-	-	-
Loan payable	-	6,596,591	6,596,591	-	-	-
Total liabilities	-	6,637,074	6,637,074	-	-	-
Net assets available for benefits	$26,427,890	$ 276,926	$26,704,816	$24,977,404	$ -	$24,977,404

See accompanying notes.

J. LEE MILLIGAN, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Years ended September 30, 2016 and 2015

	September 30, 2016			September 30, 2015		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Additions to net assets:						
Investment income:						
Net unrealized appreciation in fair value of investments - J. Lee Milligan, Inc. common stock	$ 3,942,640	$ 317,409	$ 4,260,049	$ 6,762,556	$181,910	$ 6,944,466
Realized gains	19,320	-	19,320	-	-	-
Interest	2,489	-	2,489	1	-	1
Total investment income	3,964,449	317,409	4,281,858	6,762,557	181,910	6,944,467
Employer contributions	1,359,428	-	1,359,428	644,439	476,193	1,120,632
Allocation of 0 shares of common stock of J. Lee Milligan, Inc. (2015 - 1,528.6589)	-	-	-	654,266	-	654,266
Sale and repurchase of 13,800.400 shares of common stock of J. Lee Milligan, Inc.	6,596,591	6,596,591	13,193,182	-	-	-
Total additions to net assets	11,920,468	6,914,000	18,834,468	8,061,262	658,103	8,719,365
Deductions from net assets:						
Interest expense	-	40,483	40,483	-	6,739	6,739
Distributions to participants	3,873,391	-	3,873,391	644,439	-	644,439
Allocation of 0 shares of common stock of J. Lee Milligan, Inc. (2015 - 1,528.6589)	-	-	-	-	654,266	654,266
Sale and repurchase of 13,800.400 shares of common stock of J. Lee Milligan, Inc.	6,596,591	6,596,591	13,193,182	-	-	-
Total deductions from net assets	10,469,982	6,637,074	17,107,056	644,439	661,005	1,305,444
Net increase (decrease)	1,450,486	276,926	1,727,412	7,416,823	(2,902)	7,413,921
Net assets available for benefits:						
Beginning of year	24,977,404	-	24,977,404	17,560,581	2,902	17,563,483
End of year	$26,427,890	$ 276,926	$26,704,816	$24,977,404	$ -	$24,977,404

See accompanying notes.

J. LEE MILLIGAN, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

September 30, 2016 and 2015

1. Description of plan

J. Lee Milligan, Inc. (the "Company") established the J. Lee Milligan, Inc. Employee Stock Ownership Plan and Trust (the "Plan") effective as of October 1, 1976. The Plan was amended and restated effective as of October 1, 1989, October 1, 2004, October 1, 2010, October 1, 2012, and most recently effective as October 1, 2015. The Plan consists of two portions, a profit sharing portion and stock bonus portion, and is intended to satisfy the applicable requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended ("Code"), Sections 409 and 4957(e)(7) in connection with the employee stock ownership portion, and 470(d)(6) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), in connection with the employee stock ownership portion. The Plan is administered by the J. Lee Milligan, Inc. Employee Stock Ownership Plan Committee. The trustee of the plan as of September 30, 2016, is Colin M. Henderson.

The Plan purchased 13,611.12 Company common shares using the proceeds of the stock acquisition loan (Note 8). This loan was paid in full in December 2015.

In July 2016, the Plan sold 13,800.40 shares to the Company and immediately repurchased the 13,800.40 Company common shares using the proceeds of a new stock acquisition loan on June 23, 2016 (Note 8). The borrowing is to be repaid over a period of ten years by fully deductible Company contributions to the Plan. As the Plan makes each payment of principal, an appropriate percentage of stock is allocated to eligible employees' accounts in accordance with applicable regulations under the Code.

1. Description of plan (cont'd)

The borrowing is collateralized by the unallocated shares of stock. The lender has no rights against shares once they are allocated under the Plan. Accordingly, the financial statements of the Plan as of September 30, 2016 and 2015, and for the years then ended present separately the assets and liabilities and changes therein pertaining to:

1. the accounts of employees with vested rights in allocated stock (Allocated) and
2. stock not yet allocated to employees (Unallocated).

Eligibility

All employees of the Company are generally eligible to participate in the Plan after one year of service providing they worked at least 1,000 hours during each plan year. Participants who do not have at least 1,000 hours of service during such plan year or are not employed on the last day of a plan year are generally not eligible for an allocation of Company contributions for such year.

Payment of benefits and in-service distributions

No distributions from the Plan are made until a participant dies (in which case, payment shall be made to his or her beneficiary) or otherwise ceases employment with the Company. Distributions are made in cash or, if a participant elects, in the form of Company common shares plus cash for any fractional shares. Effective October 1, 2015, after a participant attains age 70 and has completed at least twenty (20) years of service, the participant, until he or she retires, has a continuing election to receive all or any portion of his or her vested account balance.

Under the provisions of the Plan, the Company is obligated to repurchase participant shares if the shares are not publicly traded or if subject to a trading limitation when distributed.

1. Description of plan (cont'd)

Payment of benefits and in-service distributions (cont'd)

During the year ending September 30, 2016, the plan made cash payments to separated participants for 7,731.320 shares of stock at prices determined from the independent appraisal as of June 24, 2016.

During the year ending September 30, 2015, the plan made cash payments to separated participants for 2,085.5644 shares of stock at prices determined from the independent appraisal as of September 30, 2014.

Voting rights

Each participant or beneficiary is entitled to cast one vote on an issue and the Trustee shall vote the shares held by the Plan in proportion to the votes cast on the issue by the participants and beneficiaries. The Trustee is not permitted to vote any Company stock for which instructions have not been given by a participant or beneficiary.

Termination

The Company has the right to terminate the Plan at any time subject to Plan provisions. Upon any full or partial termination, all amounts credited to the participants' accounts will become 100% vested, and the Company shall direct the distribution of the assets of the Trust Fund as prescribed by the Plan terms and the Internal Revenue Code.

Participant accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each plan year with an allocation of employer contribution of cash, Company stock or other property and forfeitures of terminated employees. Only those participants who are eligible employees as of the last day of the Plan year will receive an allocation. Allocations of such contributions are made to each participant's account in the same proportion that each

1. Description of plan (cont'd)

Participant accounts (cont'd)

such participant's compensation for the year bears to the total compensation of all participants for such year.

Vesting

If a participant's employment with the Company ends for any reason other than retirement, permanent disability or death, the participant will vest in the balances in his or her account based on total years of service with the Company. Participants vest 20% per year of service beginning with the third year of service and are 100% vested after seven years of service. The Plan allowed for a change to the vesting schedule after the December 23, 2004, loan was paid in full. Full payment occurred in 2015; thus, effective October 1, 2015, the vesting schedule changed and allows participants who have at least one hour of service to vest 20% per year of service beginning with the second year of service and are 100% vested after six years of service.

Put option

Under federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company stock into investments which are more diversified. Participants who are at least 55 with at least 10 years

1. Description of plan (cont'd)

Diversification (cont'd)

of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of the number of post-1986 shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify receive a cash distribution and/or Company stock.

Participant accounts and forfeitures

Employer contributions and Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total compensation of all participants for the Plan year. Forfeitures of terminated non-vested account balances allocated to remaining participants at September 30, 2016 and 2015, totaled $80,035 and $68,373, respectively. Plan earnings are allocated to each participant's account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of the year account balances.

2. Summary of accounting policies

Basis of accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

2. Summary of accounting policies (cont'd)

Investment valuation and income recognition

The common shares of the Company are valued at fair value on September 30, 2016 and 2015. Fair value of Company stock is determined by an annual independent appraisal. Other stocks are valued at quoted market values.

Dividend income is accrued on the ex-dividend date.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method.

Operating expenses

All expenses of maintaining the Plan are being paid by the Company.

3. Tax status

The Internal Revenue Service has determined and informed the Company by letters dated August 23, 1996 and September 13, 2013, that the Plan is qualified and the trust established under the Plan is tax exempt, under the appropriate sections of the Internal Revenue Code.

4. 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 a 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 statements of net assets available for benefits.

5. Administration of plan assets

The Plan's assets, which consist primarily of J. Lee Milligan, Inc. common stock, are held by the Trustee of the Plan. Other Plan assets include cash and cash equivalents and mutual funds.

Company contributions are held and managed by the Trustee, which invests cash received, interest, and dividend income and makes distributions to participants. The Trustee also administers the payment of interest and principal of the loan, which is reimbursed to the Trustee through contributions as determined by the Company.

Certain administrative functions are performed by officers of J. Lee Milligan, Inc. No such officer receives compensation from the Plan. Administrative expense for the Trustee's fees are paid directly by the Company.

6. Investments

The following table presents investments of the Plan.

	September 30	
	2016	2015
Investments in J. Lee Milligan, Inc. common stock:		
Common stock - 47,072.1072 allocated shares (2015 - 58,356.8548), 13,800.400 unallocated shares (2015 -0)	$30,497,124	$24,976,734
Mutual funds	2,751,620	-
Money market funds	92,397	670
	$33,341,141	$24,977,404

7. Employer contributions

The Company is obligated to make contributions in cash to the Plan, which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan. Employer contributions for each Plan year are determined by the employer.

Contributions in the amounts of $1,359,428 and $1,120,632 were made for the years ended September 30, 2016 and 2015, respectively. Included in the contribution amount of $1,359,428 for the year ended September 30, 2016, is the contribution of 2,515.6512 shares of the Company's treasury stock.

8. Loan Payable

The Plan had a loan payable to the Company dated December 23, 2004, in the original amount of $3,500,000. The proceeds of the loan were used to purchase 13,611.12 shares of Company common stock and unallocated shares were collateral for the loan. The agreement provided for the loan to be repaid over ten years and it was paid in full during 2015.

The Plan borrowed $6,596,591 from the Company on June 23, 2016, in order to repurchase 13,800.40 shares of stock directly from the individual stockholders. Unallocated shares are collateral for the loan and the loan is due to be repaid over ten years. The scheduled amortization of the loan for the next five years is as follows: 2017 - $595,886; 2018 - $609,234; 2019 - $622,881; 2020 - $636,833 and 2021 - $651,098. The loan bears interest at 2.24%.

9. Related party and party in interest transactions

The Plan invests in Company common stock and has indebtedness through July 2026 guaranteed by the Company. These are related party and party in interest transactions. The Plan has a number of service providers. Such providers are parties in interest under ERISA.

10. Fair value of financial instruments

The following methods and assumptions were used by the Plan in estimating its fair value for financial instruments:

Stock of closely-held corporation - The fair value of the common stock of the Company is based upon an annual valuation performed by independent certified appraisers.

Investments - The fair values of investments are based on quoted market prices for those or similar investments.

Interest payable - The carrying amount approximates fair value because of the short maturities of those instruments.

Loan payable - The carrying amount approximates fair value since the interest rate is a fixed rate that is comparable to current rates for similar loans.

The framework for measuring fair value produces 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 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;
-quoted 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.

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

10. Fair value measurements (cont'd)

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of September 30:

	2016		
	Quoted prices in active markets for identical assets (Level 1)	Unobservable inputs (Level 3)	Total
Investments at fair value:			
J Lee Milligan, Inc. common stock	$ -	$30,497,124	$30,497,124
Cash and cash equivalents	92,397	-	92,397
Mutual funds	2,751,620	-	2,751,620
Total investments	$2,844,017	$30,497,124	$33,341,141

	2015		
	Quoted prices in active markets for identical assets (Level 1)	Unobservable inputs (Level 3)	Total
Investments at fair value:			
J Lee Milligan, Inc. common stock	$ -	$24,976,734	$24,976,734
Cash and cash equivalents	670	-	670
Total investments	$ 670	$24,976,734	$24,977,404

10. Fair value measurements (cont'd)

Changes in Fair Value of Level 3 Assets and Related Gains and Losses

The following table sets forth a summary of changes in fair value of the Plan's level 3 assets for the year ended September 30, 2016:

	Investment in Company common stock
Balance, beginning of year	$24,976,734
Realized gains (losses)	-
Contribution of 2,515.6512 shares of J. Lee Milligan, Inc. treasury stock	1,260,341
Unrealized appreciation in estimated fair value	4,260,049
Balance, end of year	$30,497,124

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation in fair value of investments in the Statement of Changes in Net Assets Available for Benefits.

Following is a description of the valuation methodolgies used for the level 3 assets measured at fair value. There have been no changes in methodolgies used at September 30, 2016 and 2015.

The Company common stock held by the Plan is reported at fair value based upon an appraisal. This appraisal was based upon an income valuation technique consistent with prior years. Some of the unobservable inputs include EBITDA, net income, debt-free cash flows, weighted-average cost of capital, and discount rate, among other relevant inputs.

10. Fair value measurements (cont'd)

The valuation process involves the selection of an independent appraiser. Plan management accumulated the data for the appraiser from historical and projected financial information of the Company. The appraiser prepares a report of estimated per share value that a participant will receive upon distribution. Plan management reviews and approves the appraisal report on an annual basis.

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

11. Subsequent events

Subsequent events were evaluated through July 17, 2017, the date the financial statements were available to be issued.

ADDITIONAL INFORMATION

J. LEE MILLIGAN, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
EIN #75-0971715, PLAN #002

Schedule H, 4i - Schedule of Assets Held for Investment Purposes at September 30, 2016

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral par or maturity value	(d) Cost	(e) Current value
*	J. Lee Milligan, Inc.	Common Stock - 47,072.1072 shares allocated	$3,442,493	$23,583,124
*	J. Lee Milligan, Inc.	Common Stock - 13,800.4000 shares unallocated**	1,066,238	6,914,000
	Symmetry Partners, L.L.C.	Mutual Funds	2,734,242	2,751,620
	Symmetry Partners, L.L.C.	Cash and cash equivalents	55,769	55,769
	Benefit Trust Company	Cash and cash equivalents	36,628	36,628
			$7,335,370	$33,341,141

* - Denotes party-in-interest.

** - Collateral for related secured plan borrowings.

Filing Authorization – 2015 Form 5500

NAME OF PLAN: J. Lee Milligan Inc. Employee Stock Ownership Plan

Plan Year Ending: 9/30/2016

I hereby authorize SES Advisors, Inc. ("SES") to electronically sign and file the above-named return/report through EFAST2.

I understand that in granting this authority that:

- We agree to sign and date page 1 of the Form 5500 and provide a copy of that signature page to SES before the electronic filing can be initiated;
- SES will retain a copy of this written authorization in its records;
- SES will notify the individual(s) signing below as plan administrator/employer about any inquiries and information it receives from EFAST2, DOL, IRS, or PBGC regarding this annual return/report; and

This authorization is applicable only to the filing for the above-named Plan and applies only for Plan year-end stated above.

Plan Administrator/Sponsor: _____

Date: _____

On behalf of SES, I hereby certify that the firm will use the authority granted only for the express purposes described above; that the firm will not disclose confidential information to any parties other than the DOL, as required for EFAST filing; and that the firm will take reasonable steps to assure that confidential information provided by the Plan Administrator or Plan Sponsor is protected from unauthorized disclosure.

_____ Date: July 17, 2017

Chuck White, SES Advisors, Inc.

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 10/01/2015 and ending 09/30/2016

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
- ☒ a single-employer plan;
- ☐ a DFE (specify) ____

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
J. Lee Milligan, Inc. Employee Stock Ownership Plan

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 10/01/1976

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)
J. Lee Milligan, Inc.

9200 Triangle Drive

Amarillo TX 79120

2b Employer Identification Number (EIN) 75-0971715

2c Plan Sponsor's telephone number (806) 373-4386

2d Business code (see instructions) 237310

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	Signature of plan administrator	Date 7/27/17	Enter name of individual signing as plan administrator Tammy Brannon
SIGN HERE	Signature of employer/plan sponsor	Date 7/27/17	Enter name of individual signing as employer or plan sponsor Tammy Brannon
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

J. LEE MILLIGAN, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2016 AND 2015

with

INDEPENDENT AUDITOR'S REPORT

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STEWART
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WEBB, PC

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Independent Auditor's Report

The Employee Stock Ownership Plan Committee
J. Lee Milligan, Inc. Employee Stock Ownership Plan and Trust

We have audited the accompanying financial statements of J. Lee Milligan, Inc. Employee Stock Ownership Plan and Trust (the Plan), which comprise the statements of net assets available for benefits as of September 30, 2016 and 2015, and the related statements of changes in net assets available for benefits for the years 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 our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of J. Lee Milligan, Inc. Employee Stock Ownership Plan and Trust as of September 30, 2016 and 2015, and the changes in its net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule of assets held for investment purposes as of September 30, 2016, is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Stewart, Martin, Dudley & Webb, P.C.

Amarillo, Texas
July 17, 2017

FINANCIAL STATEMENTS

J. LEE MILLIGAN, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

September 30, 2016 and 2015

	September 30, 2016			September 30, 2015		
ASSETS	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Investment in J. Lee Milligan, Inc., at fair value - common stock	$23,583,124	$6,914,000	$30,497,124	$24,976,734	$ -	$24,976,734
Other investments, at fair value:						
Mutual funds	2,751,620	-	2,751,620	-	-	-
Cash and cash equivalents	92,397	-	92,397	670	-	670
Total investments	26,427,141	6,914,000	33,341,141	24,977,404	-	24,977,404
Receivables - accrued interest	749	-	749	-	-	-
Total assets	26,427,890	6,914,000	33,341,890	24,977,404	-	24,977,404
LIABILITIES AND NET ASSETS						
Liabilities:						
Interest payable	-	40,483	40,483	-	-	-
Loan payable	-	6,596,591	6,596,591	-	-	-
Total liabilities	-	6,637,074	6,637,074	-	-	-
Net assets available for benefits	$26,427,890	$ 276,926	$26,704,816	$24,977,404	$ -	$24,977,404

See accompanying notes.

J. LEE MILLIGAN, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Years ended September 30, 2016 and 2015

	September 30, 2016			September 30, 2015		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Additions to net assets:						
Investment income:						
Net unrealized appreciation in fair value of investments - J. Lee Milligan, Inc. common stock	$ 3,942,640	$ 317,409	$ 4,260,049	$ 6,762,556	$181,910	$ 6,944,466
Realized gains	19,320	-	19,320	-	-	-
Interest	2,489	-	2,489	1	-	1
Total investment income	3,964,449	317,409	4,281,858	6,762,557	181,910	6,944,467
Employer contributions	1,359,428	-	1,359,428	644,439	476,193	1,120,632
Allocation of 0 shares of common stock of J. Lee Milligan, Inc. (2015 - 1,528.6589)	-	-	-	654,266	-	654,266
Sale and repurchase of 13,800.400 shares of common stock of J. Lee Milligan, Inc.	6,596,591	6,596,591	13,193,182	-	-	-
Total additions to net assets	11,920,468	6,914,000	18,834,468	8,061,262	658,103	8,719,365
Deductions from net assets:						
Interest expense	-	40,483	40,483	-	6,739	6,739
Distributions to participants	3,873,391	-	3,873,391	644,439	-	644,439
Allocation of 0 shares of common stock of J. Lee Milligan, Inc. (2015 - 1,528.6589)	-	-	-	-	654,266	654,266
Sale and repurchase of 13,800.400 shares of common stock of J. Lee Milligan, Inc.	6,596,591	6,596,591	13,193,182	-	-	-
Total deductions from net assets	10,469,982	6,637,074	17,107,056	644,439	661,005	1,305,444
Net increase (decrease)	1,450,486	276,926	1,727,412	7,416,823	(2,902)	7,413,921
Net assets available for benefits:						
Beginning of year	24,977,404	-	24,977,404	17,560,581	2,902	17,563,483
End of year	$26,427,890	$ 276,926	$26,704,816	$24,977,404	$ -	$24,977,404

See accompanying notes.

J. LEE MILLIGAN, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

NOTES TO FINANCIAL STATEMENTS

September 30, 2016 and 2015

1. Description of plan

J. Lee Milligan, Inc. (the "Company") established the J. Lee Milligan, Inc. Employee Stock Ownership Plan and Trust (the "Plan") effective as of October 1, 1976. The Plan was amended and restated effective as of October 1, 1989, October 1, 2004, October 1, 2010, October 1, 2012, and most recently effective as October 1, 2015. The Plan consists of two portions, a profit sharing portion and stock bonus portion, and is intended to satisfy the applicable requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended ("Code"), Sections 409 and 4957(e)(7) in connection with the employee stock ownership portion, and 470(d)(6) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), in connection with the employee stock ownership portion. The Plan is administered by the J. Lee Milligan, Inc. Employee Stock Ownership Plan Committee. The trustee of the plan as of September 30, 2016, is Colin M. Henderson.

The Plan purchased 13,611.12 Company common shares using the proceeds of the stock acquisition loan (Note 8). This loan was paid in full in December 2015.

In July 2016, the Plan sold 13,800.40 shares to the Company and immediately repurchased the 13,800.40 Company common shares using the proceeds of a new stock acquisition loan on June 23, 2016 (Note 8). The borrowing is to be repaid over a period of ten years by fully deductible Company contributions to the Plan. As the Plan makes each payment of principal, an appropriate percentage of stock is allocated to eligible employees' accounts in accordance with applicable regulations under the Code.

1. Description of plan (cont'd)

The borrowing is collateralized by the unallocated shares of stock. The lender has no rights against shares once they are allocated under the Plan. Accordingly, the financial statements of the Plan as of September 30, 2016 and 2015, and for the years then ended present separately the assets and liabilities and changes therein pertaining to:

1. the accounts of employees with vested rights in allocated stock (Allocated) and
2. stock not yet allocated to employees (Unallocated).

Eligibility

All employees of the Company are generally eligible to participate in the Plan after one year of service providing they worked at least 1,000 hours during each plan year. Participants who do not have at least 1,000 hours of service during such plan year or are not employed on the last day of a plan year are generally not eligible for an allocation of Company contributions for such year.

Payment of benefits and in-service distributions

No distributions from the Plan are made until a participant dies (in which case, payment shall be made to his or her beneficiary) or otherwise ceases employment with the Company. Distributions are made in cash or, if a participant elects, in the form of Company common shares plus cash for any fractional shares. Effective October 1, 2015, after a participant attains age 70 and has completed at least twenty (20) years of service, the participant, until he or she retires, has a continuing election to receive all or any portion of his or her vested account balance.

Under the provisions of the Plan, the Company is obligated to repurchase participant shares if the shares are not publicly traded or if subject to a trading limitation when distributed.

1. Description of plan (cont'd)

Payment of benefits and in-service distributions (cont'd)

During the year ending September 30, 2016, the plan made cash payments to separated participants for 7,731.320 shares of stock at prices determined from the independent appraisal as of June 24, 2016.

During the year ending September 30, 2015, the plan made cash payments to separated participants for 2,085.5644 shares of stock at prices determined from the independent appraisal as of September 30, 2014.

Voting rights

Each participant or beneficiary is entitled to cast one vote on an issue and the Trustee shall vote the shares held by the Plan in proportion to the votes cast on the issue by the participants and beneficiaries. The Trustee is not permitted to vote any Company stock for which instructions have not been given by a participant or beneficiary.

Termination

The Company has the right to terminate the Plan at any time subject to Plan provisions. Upon any full or partial termination, all amounts credited to the participants' accounts will become 100% vested, and the Company shall direct the distribution of the assets of the Trust Fund as prescribed by the Plan terms and the Internal Revenue Code.

Participant accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each plan year with an allocation of employer contribution of cash, Company stock or other property and forfeitures of terminated employees. Only those participants who are eligible employees as of the last day of the Plan year will receive an allocation. Allocations of such contributions are made to each participant's account in the same proportion that each

1. Description of plan (cont'd)

Participant accounts (cont'd)

such participant's compensation for the year bears to the total compensation of all participants for such year.

Vesting

If a participant's employment with the Company ends for any reason other than retirement, permanent disability or death, the participant will vest in the balances in his or her account based on total years of service with the Company. Participants vest 20% per year of service beginning with the third year of service and are 100% vested after seven years of service. The Plan allowed for a change to the vesting schedule after the December 23, 2004, loan was paid in full. Full payment occurred in 2015; thus, effective October 1, 2015, the vesting schedule changed and allows participants who have at least one hour of service to vest 20% per year of service beginning with the second year of service and are 100% vested after six years of service.

Put option

Under federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company stock into investments which are more diversified. Participants who are at least 55 with at least 10 years

1. Description of plan (cont'd)

Diversification (cont'd)

of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of the number of post-1986 shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify receive a cash distribution and/or Company stock.

Participant accounts and forfeitures

Employer contributions and Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total compensation of all participants for the Plan year. Forfeitures of terminated non-vested account balances allocated to remaining participants at September 30, 2016 and 2015, totaled $80,035 and $68,373, respectively. Plan earnings are allocated to each participant's account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of the year account balances.

2. Summary of accounting policies

Basis of accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

2. Summary of accounting policies (cont'd)

Investment valuation and income recognition

The common shares of the Company are valued at fair value on September 30, 2016 and 2015. Fair value of Company stock is determined by an annual independent appraisal. Other stocks are valued at quoted market values.

Dividend income is accrued on the ex-dividend date.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method.

Operating expenses

All expenses of maintaining the Plan are being paid by the Company.

3. Tax status

The Internal Revenue Service has determined and informed the Company by letters dated August 23, 1996 and September 13, 2013, that the Plan is qualified and the trust established under the Plan is tax exempt, under the appropriate sections of the Internal Revenue Code.

4. 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 a 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 statements of net assets available for benefits.

5. Administration of plan assets

The Plan's assets, which consist primarily of J. Lee Milligan, Inc. common stock, are held by the Trustee of the Plan. Other Plan assets include cash and cash equivalents and mutual funds.

Company contributions are held and managed by the Trustee, which invests cash received, interest, and dividend income and makes distributions to participants. The Trustee also administers the payment of interest and principal of the loan, which is reimbursed to the Trustee through contributions as determined by the Company.

Certain administrative functions are performed by officers of J. Lee Milligan, Inc. No such officer receives compensation from the Plan. Administrative expense for the Trustee's fees are paid directly by the Company.

6. Investments

The following table presents investments of the Plan.

	September 30	
	2016	2015
Investments in J. Lee Milligan, Inc. common stock:		
Common stock - 47,072.1072 allocated shares (2015 - 58,356.8548), 13,800.400 unallocated shares (2015 -0)	$30,497,124	$24,976,734
Mutual funds	2,751,620	-
Money market funds	92,397	670
	$33,341,141	$24,977,404

7. Employer contributions

The Company is obligated to make contributions in cash to the Plan, which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan. Employer contributions for each Plan year are determined by the employer.

Contributions in the amounts of $1,359,428 and $1,120,632 were made for the years ended September 30, 2016 and 2015, respectively. Included in the contribution amount of $1,359,428 for the year ended September 30, 2016, is the contribution of 2,515.6512 shares of the Company's treasury stock.

8. Loan Payable

The Plan had a loan payable to the Company dated December 23, 2004, in the original amount of $3,500,000. The proceeds of the loan were used to purchase 13,611.12 shares of Company common stock and unallocated shares were collateral for the loan. The agreement provided for the loan to be repaid over ten years and it was paid in full during 2015.

The Plan borrowed $6,596,591 from the Company on June 23, 2016, in order to repurchase 13,800.40 shares of stock directly from the individual stockholders. Unallocated shares are collateral for the loan and the loan is due to be repaid over ten years. The scheduled amortization of the loan for the next five years is as follows: 2017 - $595,886; 2018 - $609,234; 2019 - $622,881; 2020 - $636,833 and 2021 - $651,098. The loan bears interest at 2.24%.

9. Related party and party in interest transactions

The Plan invests in Company common stock and has indebtedness through July 2026 guaranteed by the Company. These are related party and party in interest transactions. The Plan has a number of service providers. Such providers are parties in interest under ERISA.

10. Fair value of financial instruments

The following methods and assumptions were used by the Plan in estimating its fair value for financial instruments:

Stock of closely-held corporation - The fair value of the common stock of the Company is based upon an annual valuation performed by independent certified appraisers.

Investments - The fair values of investments are based on quoted market prices for those or similar investments.

Interest payable - The carrying amount approximates fair value because of the short maturities of those instruments.

Loan payable - The carrying amount approximates fair value since the interest rate is a fixed rate that is comparable to current rates for similar loans.

The framework for measuring fair value produces 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 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;
-quoted 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.

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

10. Fair value measurements (cont'd)

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of September 30:

	2016		
	Quoted prices in active markets for identical assets (Level 1)	Unobservable inputs (Level 3)	Total
Investments at fair value:			
J Lee Milligan, Inc. common stock	$ -	$30,497,124	$30,497,124
Cash and cash equivalents	92,397	-	92,397
Mutual funds	2,751,620	-	2,751,620
Total investments	$2,844,017	$30,497,124	$33,341,141

	2015		
	Quoted prices in active markets for identical assets (Level 1)	Unobservable inputs (Level 3)	Total
Investments at fair value:			
J Lee Milligan, Inc. common stock	$ -	$24,976,734	$24,976,734
Cash and cash equivalents	670	-	670
Total investments	$ 670	$24,976,734	$24,977,404

10. Fair value measurements (cont'd)

Changes in Fair Value of Level 3 Assets and Related Gains and Losses

The following table sets forth a summary of changes in fair value of the Plan's level 3 assets for the year ended September 30, 2016:

	Investment in Company common stock
Balance, beginning of year	$24,976,734
Realized gains (losses)	-
Contribution of 2,515.6512 shares of J. Lee Milligan, Inc. treasury stock	1,260,341
Unrealized appreciation in estimated fair value	4,260,049
Balance, end of year	$30,497,124

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation in fair value of investments in the Statement of Changes in Net Assets Available for Benefits.

Following is a description of the valuation methodolgies used for the level 3 assets measured at fair value. There have been no changes in methodolgies used at September 30, 2016 and 2015.

The Company common stock held by the Plan is reported at fair value based upon an appraisal. This appraisal was based upon an income valuation technique consistent with prior years. Some of the unobservable inputs include EBITDA, net income, debt-free cash flows, weighted-average cost of capital, and discount rate, among other relevant inputs.

10. Fair value measurements (cont'd)

The valuation process involves the selection of an independent appraiser. Plan management accumulated the data for the appraiser from historical and projected financial information of the Company. The appraiser prepares a report of estimated per share value that a participant will receive upon distribution. Plan management reviews and approves the appraisal report on an annual basis.

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

11. Subsequent events

Subsequent events were evaluated through July 17, 2017, the date the financial statements were available to be issued.

ADDITIONAL INFORMATION

J. LEE MILLIGAN, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST
EIN #75-0971715, PLAN #002

Schedule H, 4i - Schedule of Assets Held for Investment Purposes at September 30, 2016

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral par or maturity value	(d) Cost	(e) Current value
*	J. Lee Milligan, Inc.	Common Stock - 47,072.1072 shares allocated	$3,442,493	$23,583,124
*	J. Lee Milligan, Inc.	Common Stock - 13,800.4000 shares unallocated**	1,066,238	6,914,000
	Symmetry Partners, L.L.C.	Mutual Funds	2,734,242	2,751,620
	Symmetry Partners, L.L.C.	Cash and cash equivalents	55,769	55,769
	Benefit Trust Company	Cash and cash equivalents	36,628	36,628
			$7,335,370	$33,341,141

* - Denotes party-in-interest.

** - Collateral for related secured plan borrowings.