# 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 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

**2016**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

**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.)
- [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
GARDENERS GUILD EMPLOYEE STOCK OWNERSHIP PLAN

**1b** Three-digit plan number (PN) ▶ 002

**1c** Effective date of plan 01/01/1997

**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)
GARDENERS GUILD, INC.

2780 GOODRICK AVE
RICHMOND, CA 94801

**2b** Employer Identification Number (EIN) 68-0082879

**2c** Plan Sponsor's telephone number 510-439-3700

**2d** Business code (see instructions) 561730

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

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

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/05/2017 | MICHAEL J. DAVIDSON |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

Preparer's name (including firm name, if applicable) and address (include room or suite number)

Preparer's telephone number

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

GARDENERS GUILD, INC.

2780 GOODRICK AVE
RICHMOND, CA 94801

**3b** Administrator's EIN: 68-0082879

**3c** Administrator's telephone number: 510-439-3700

**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** | 219 |
| **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)** | 129 |
| **a(2)** | Total number of active participants at the end of the plan year | **6a(2)** | 140 |
| **b** | Retired or separated participants receiving benefits | **6b** | 19 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 46 |
| **d** | Subtotal. Add lines **6a(2)**, **6b**, and **6c**. | **6d** | 205 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e**. | **6f** | 205 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 204 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 13 |
| **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

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

**9a** Plan funding arrangement (check all that apply)

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

**9b** Plan benefit arrangement (check all that apply)

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

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

**a Pension Schedules**

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

**b General Schedules**

- **(1)** ☒ **H** (Financial Information)
- **(2)** ☐ **I** (Financial Information – Small Plan)
- **(3)** ☐ 0 **A** (Insurance Information)
- **(4)** ☐ **C** (Service Provider Information)
- **(5)** ☐ **D** (DFE/Participating Plan Information)
- **(6)** ☐ **G** (Financial Transaction Schedules)

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

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

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

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

**11c** Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 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)

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

**2016**

**This Form is Open to Public Inspection**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

**A** Name of plan
GARDENERS GUILD EMPLOYEE STOCK OWNERSHIP PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
GARDENERS GUILD, INC.

**D** Employer Identification Number (EIN)
68-0082879

## 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) | | |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 9585 | 7094 |
| **(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) | | |
| **(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) | 1133227 | 1185330 |
| | **(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 | 1142812 | 1192424 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | 5617 | 668 |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | 30 | 0 |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 5647 | 668 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 1137165 | 1191756 |

## 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) | 46000 | |
| | **(B)** Participants | 2a(1)(B) | | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 46000 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 1 | |
| | **(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) | | 1 |
| | **(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) | 52103 | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 52103 |

| | | (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) | | |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 98104 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 43333 | |
| (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) | | 43333 |
| f Corrective distributions (see instructions) | 2f | | |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | 180 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 180 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 43513 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 54591 |
| 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: CAMPBELL TAYLOR & CO. **(2)** EIN: 68-0251243

**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 | 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 | 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 | | 119176 |
| 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 | Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service? | 4o | | | |

**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
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year_____. (See instructions.)

## 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 sections 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

**2016**

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

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

**A** Name of plan
GARDENERS GUILD EMPLOYEE STOCK OWNERSHIP PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
GARDENERS GUILD, INC.

**D** Employer Identification Number (EIN)
68-0082879

## 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): 20-0706022

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

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

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

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

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

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

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

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

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

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

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

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

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

## Part III Amendments

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

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

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

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

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

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

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

**a** Enter the percentage of plan assets held as:
Stock: 0.0 % Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

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

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

## Part VII IRS Compliance Questions

| | | |
|---|---|---|
| **20a** Is the plan a 401(k) plan? If "No," skip b | ☐ Yes | ☐ No |
| **20b** How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply: | ☐ Design-based safe harbor<br>☐ "Current year" ADP test | ☐ "Prior year" ADP test<br>☐ N/A |
| **21a** What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply: | ☐ Ratio percentage test | ☐ Average benefit test ☐ N/A |
| **21b** Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules? | ☐ Yes | ☐ No |

**22a** If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter ____/____/____ and the serial number _____.

**22b** If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter ____/____/____.

*Financial Statements and*
*Independent Auditor's Report of*

# GARDENERS' GUILD
# EMPLOYEE STOCK OWNERSHIP PLAN

*December 31, 2016 and 2015*

**GARDENERS' GUILD**
**EMPLOYEE STOCK OWNERSHIP PLAN**

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CTC CAMPBELL TAYLOR & COMPANY ♦ An Accountancy Corporation
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Plan Trustees
Gardeners' Guild Employee
Stock Ownership Plan
Richmond, CA

**Report on the Financial Statements**
We have audited the accompanying financial statements of Gardeners' Guild Employee Stock Ownership Plan, which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statements of change 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 of material misstatement.

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

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

**Opinion**
In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Gardeners' Guild Employee Stock Ownership Plan as of December 31, 2016 and 2015, and the changes in net assets available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

3741 Douglas Blvd., Suite 350 ♦ Roseville, CA 95661 ♦ E-Mail: mail@campbelltaylor.com ♦ (916) 929-3680 ♦ Fax: (916) 929-7443

**Emphasis of a Matter**
As explained in Notes 1 and 2, the Plan is an employee stock ownership plan and invests in common stock of Gardeners' Guild valued at $1,185,330 and $1,133,227 as of December 31, 2016 and 2015, respectively. The fair value of Company stock is determined by the Plan Trustees based on an annual valuation of the common stock prepared by an independent appraiser. However, because of the inherent uncertainty of the valuation, fair values used in these financial statements may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

**Report on Supplemental Information**
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets held at end of year, 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 accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Campbell Taylor & Company
An Accountancy Corporation

Roseville, California
September 29, 2017

**GARDENERS' GUILD**
**EMPLOYEE STOCK OWNERSHIP PLAN**

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2016 and 2015

| | 2016 | 2015 |
|---|---|---|
| ASSETS: | | |
| Investments, at fair value: | | |
| Money market fund | $ 7,094 | $ 9,585 |
| Company stock | 1,185,330 | 1,133,227 |
| Total investments | 1,192,424 | 1,142,812 |
| LIABILITIES: | | |
| Fees and benefits payable | 668 | 5,647 |
| Total liabilities | 668 | 5,647 |
| NET ASSETS AVAILABLE FOR BENEFITS | $ 1,191,756 | $ 1,137,165 |

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

**GARDENERS' GUILD**
**EMPLOYEE STOCK OWNERSHIP PLAN**

STATEMENTS OF CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS
For the Years Ended December 31, 2016 and 2015

| | 2016 | 2015 |
|---|---|---|
| ADDITIONS TO NET ASSETS: | | |
| Net appreciation (depreciation) in fair value of investment in Company stock | $ 52,103 | $ (104,205) |
| Interest income | 1 | 2 |
| Employer contributions | 46,000 | 20,000 |
| Total increase (decrease) | 98,104 | (84,203) |
| DEDUCTIONS FROM NET ASSETS: | | |
| Benefits paid to participants | 43,333 | 26,979 |
| Administrative expenses | 180 | 180 |
| Total deductions | 43,513 | 27,159 |
| Increase (decrease) in net assets | 54,591 | (111,362) |
| Net assets available for benefits at beginning of year | 1,137,165 | 1,248,527 |
| Net assets available for benefits at end of year | $ 1,191,756 | $ 1,137,165 |

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

**GARDENERS' GUILD**
**EMPLOYEE STOCK OWNERSHIP PLAN**

NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

*NOTE 1:* **DESCRIPTION OF PLAN**

The following description of Gardeners' Guild Employee Stock Ownership Plan (the "Plan") provides only summarized general information. Participants should refer to the Plan document for a complete description of the Plan's provisions.

**General**
Gardeners' Guild, Inc. (the "Company") established the Plan effective as of January 1, 1997. Eligible participants include employees who are at least 18 years old, have completed at least one year of service, and are employed on the last day of the Plan year. A year of service is credited when a participant completes 1,000 hours of service in a Plan year. The Plan is administered by Plan Trustees comprised of individuals appointed by the Company's Board of Directors.

The Plan leveraged the purchase of Company stock in 1998, 2002, and 2003, totaling 130,256 shares owned by the Plan. Financing to purchase Company stock was repaid in full in 2008 at which point all shares were allocated to participant accounts.

The Plan was amended and restated effective January 1, 2015 to incorporate past amendments and clarify certain provisions included in the Plan Document.

**Plan Year**
The Plan year begins January 1st and ends December 31st.

**Contributions**
Employer contributions are discretionary as determined by the Company's Board of Directors. Employees are not permitted to contribute to the Plan. An employee must be credited with 1,000 hours of service during the Plan year and be employed by the Company on the last day of the Plan year to be eligible to receive a contribution allocation. The Company made cash contributions of $46,000 and $20,000 for the years ended December 31, 2016 and 2015, respectively.

**Participant Accounts and Allocations**
The Plan is a defined contribution Plan under which a separate individual account is established for each participant. Allocations are made to the accounts of eligible participants at the end of each Plan year in the form of either cash or Company stock. Employer contributions are allocated to participant accounts based on the ratio of a participant's compensation to total participants' compensation, subject to IRS limitations. Only those employees who are eligible as of the last day of the Plan year will receive an allocation of employer contributions. Investment gains and losses are allocated based on the number of shares in a participant's account.

**Retirement**
Normal retirement under the Plan is age 59 1/2.

**Administrative Expenses**
Substantially all plan administrative expenses are paid by the Plan sponsor.

*NOTE 1:* **DESCRIPTION OF PLAN (Continued)**

**Vesting**

Participants become vested in their accounts in accordance with the following schedule:

| Years of Service | Non-forfeitable vested interest |
|---|---|
| Less than 2 years | 0% |
| 2 years | 20% |
| 3 years | 40% |
| 4 years | 60% |
| 5 years | 80% |
| 6 years | 100% |

Participants' interest in their respective accounts become 100% vested upon (a) reaching normal retirement age, (b) death while employed, or (c) disability while employed.

**Forfeitures**

Any portion of the final balance in a participant's account which is not vested will become forfeited when the participant incurs a five-year break in service or, if earlier, when the participant's account has been fully distributed. All forfeitures are reallocated pro-rata based upon current Plan year compensation to the accounts of remaining participants as of the allocation date of the Plan year in which the forfeiture occurs. A total of 195 and 197 shares were forfeited and allocated to active participants for the years ended December 31, 2016 and 2015, respectively.

**Payment of Benefits**

No distributions from the Plan will be made until a participant retires, becomes disabled, dies (in which case, payment shall be made to his or her beneficiary or, secondarily to his or her legal representative(s)), or otherwise terminates employment with the Company. Distributions to participants who have retired, died or become disabled will commence no later than December 31st of the year subsequent to the year of the termination. Distributions to participants terminating service with the Company for any other reason will commence no later than the sixth plan year following the plan year of terminated service. The Trustees may choose to make distributions in lump sum, in substantially equal annual installments over a period generally not exceeding five years, or any combination of these options.

Upon termination, participants are notified of their eligibility to receive a distribution. If a notified participant elects not to take a distribution, and the participants vested account balance is $5,000 or less, the Plan Trustees may make a distribution on the participant's behalf. These distributions, made on behalf of the participant, are directly rolled into an individual retirement account in the participant's name.

Distributions are made generally in the form of cash. Company stock held in a participant's account is generally sold to the Plan at the share price calculated from the Company's most recent stock valuation prior to its distribution. Any distributions in the form of company stock would have to be immediately sold back to the Company or Plan due to an ownership restriction in the Company's Articles of Incorporation. Participants receive distributions of their vested capital account balances only.

Vested unpaid benefits in the accounts of participants terminating employment with the Company on or prior to December 31, 2016, amounted to $394,123 at December 31, 2016. Vested unpaid benefits in the accounts of participants terminating employment with the Company on or prior to December 31, 2015, amounted to $397,313 at December 31, 2015.

*NOTE 1:* **DESCRIPTION OF PLAN (Continued)**

**Diversification Rights**

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 other investments. Participants who are at least age 55, with at least 10 years 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 percent of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage increases to 50 percent. Participants who elect to diversify receive a cash distribution.

**Voting Rights**

The shares of Company stock are owned by the Plan trust for all participants and not directly by the participants. Therefore, participants do not have the right to vote shares directly. In some cases, however, participants are entitled to direct the Trustees on how to vote shares that are allocated to them. The situations are limited to major corporate events, such as a merger or other major financial restructuring. The Trustees are required to vote any uninstructed and unallocated shares on behalf of the collective best interest of Plan participants and beneficiaries.

**Stock Purchase Requirement**

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 purpose of the requirement is to ensure that the participant has the ability to ultimately obtain cash. Pursuant to the Code and to preserve the Company's S Corporation status, the Plan document provides that the Company repurchase any shares of its stock distributed to participants for cash. The purchase price is representative of the fair market value of the stock.

*NOTE 2*: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Investment Valuation and Income Recognition**

The fair value of Company stock is determined by the Plan Trustees based on an annual valuation of the common stock prepared by an independent appraiser. The appraised value per share was $9.10 and $8.70 for a total appraised value of $1,185,330 and $1,133,227, as of December 31, 2016 and 2015, respectively. Because of the inherent uncertainty of the valuation, estimated and appraised values of the investment in employer stock may differ significantly from values that would have been used had a ready market for such investments existed, and such differences may be material. Investments are not participant directed.

Net appreciation (depreciation) in fair value of investment in Gardeners' Guild, Inc. common stock in the accompanying Statements of Change in Net Assets Available for Benefits represents the change in value from one period to the next.

**Income Taxes**

The plan administrator received a favorable determination letter from the Internal Revenue Service dated September 3, 2015. The plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

*NOTE 2*: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Income Taxes (Continued)**

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed tax positions taken by the Plan, and has determined that as of December 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 examinations by taxing authorities; however there are currently no examinations for any tax periods in progress.

**Benefits**

Benefits are recorded when paid.

**Estimates and Assumptions**

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Recent Accounting Pronouncement**

In July 2015, the Financial Accounting Standards Board (FASB) issued ASU 2015-12, *Plan Accounting Defined Contribution Pension Plans (Topic 962) I. Fully Benefit-Responsive Investment Contract, II. Plan Investment Disclosures, and III. Measurement Date Practical Expedient*. The ASU removes the requirements to: disclose individual investments held which exceed 5% of net assets available for benefits, disclose net appreciation 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 Plan adopted ASU 2015-12 for the Plan year ending December 31, 2015.

*NOTE 3:* **ADMINISTRATION OF PLAN ASSETS**

The Plan's assets, which consist primarily of Plan Sponsor stock, are held in trust by the Trustees of the Plan. Plan Sponsor contributions are held and managed by the Trustees, which invest cash received, interest, and dividend income. Certain administrative functions are performed by officers or employees of the Plan Sponsor and a third party administrator. No such officer or employee receives compensation from the Plan. Substantially all administrative expenses are paid by the Plan Sponsor.

*NOTE 4*: **FAIR VALUE MEASUREMENTS**

Financial Accounting Standards Board (FASB) ASC 820 provides a framework for measuring fair value. That framework provides a three-tier hierarchy that prioritizes the inputs to valuation techniques used for measuring 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 are as follows:

Level 1 - Inputs are unadjusted quoted prices for identical assets or liabilities that the Plan has the ability to access.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, model-based valuation techniques for which all significant assumptions are observable in the market, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Inputs that are unobservable and significant to the fair value measurement.

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

*Money Market Fund:* Underlying short term investments with quoted prices in active markets to preserve the value of the investment at $1.00 per share.

*Investment in Company Stock:* An annual valuation of the Company common stock is prepared by an independent appraiser. The Trustees of the Plan approves the fair value based on the annual valuation.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016 and 2015:

| | Assets at fair value as of December 31, 2016 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Money market fund | $ 7,094 | $ - | $ - | $ 7,094 |
| Investment in Company Stock | - | - | 1,185,330 | 1,185,330 |
| Total assets at fair value | $ 7,094 | $ - | $ 1,185,330 | $ 1,192,424 |

| | Assets at fair value as of December 31, 2015 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Money market fund | $ 9,585 | $ - | $ - | $ 9,585 |
| Investment in Company Stock | - | - | 1,133,227 | 1,133,227 |
| Total assets at fair value | $ 9,585 | $ - | $ 1,133,227 | $ 1,142,812 |

*NOTE 4*: **FAIR VALUE MEASUREMENTS (Continued)**

The following is a reconciliation of the beginning and ending balances for investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended December 31, 2016 and 2015:

| | Significant Unobservable Inputs (Level 3) | |
|---|---|---|
| | 2016 | 2015 |
| Balance, beginning of year | $ 1,133,227 | $ 1,237,432 |
| Net appreciation (depreciation) in fair value of investment in Company stock | 52,103 | (104,205) |
| Balance, end of year | $ 1,185,330 | $ 1,133,227 |

*NOTE 5:* **RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS**

Certain Plan investments are shares of stock in the Company. Fees for certain administrative expenses are paid to Blue Ridge ESOP Associates, the third party administrator of the Plan. These investments and transactions qualify as party-in-interest transactions which are exempt from the prohibited transaction rules of ERISA.

*NOTE 6:* **RISKS AND UNCERTAINTIES**

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

*NOTE 7:* **PLAN TERMINATION**

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 will become 100% vested in their accounts.

*NOTE 8:* **SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through September 29, 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.

SUPPLEMENTAL INFORMATION

**GARDENERS' GUILD**
**EMPLOYEE STOCK OWNERSHIP PLAN**
**EIN: 68-0082879 / PLAN: 002**

SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS HELD AT END OF YEAR
December 31, 2016

| (a) Party in Interest | (b) Identity of Issue, Borrower, Lessor or Similar Party | (c) Description of Investment | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | Merrill Lynch | Money market fund | $ 7,094 | $ 7,094 |
| * | Gardeners' Guild, Inc. | 130,256 shares of common stock | 1,257,405 | 1,185,330 |
| | | | $ 1,264,499 | $ 1,192,424 |

* Denotes party in interest

## Schedule H, Line 4i
## Schedule of Assets (Held At End of Year)

Name of Plan:

► GARDENERS GUILD EMPLOYEE STOCK OWNERSHIP PLAN

Employer Identification Number:► 68-0082879

For plan year (beginning/ending):► 01/01/2016 - 12/31/2016 Plan number:► 002

| (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 |
|---|---|---|---|---|
| | Merrill Lynch | Money Market Account | 7,094 | 7,094 |
| * | Gardeners' Guild, Inc. | 130,256 Shares of Stock | 1,257,405 | 1,185,330 |
| | | | | |
| | | | | |
| | | | |