# 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
FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN

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

**1c** Effective date of plan 07/01/1997

**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)
FRUIT OF THE EARTH

3325 W. TRINITY BLVD
GRAND PRAIRE, TX 75050

**2b** Employer Identification Number (EIN)
36-3101808

**2c** Plan Sponsor's telephone number
817-510-1600

**2d** Business code (see instructions)
446120

**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. | 10/06/2017 | LEONARD SHIPLEY |
| | **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** | 296 |
| **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)** | 241 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 226 |
| **b** Retired or separated participants receiving benefits | **6b** | 0 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 60 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c**. | **6d** | 286 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** Total. Add lines **6d** and **6e**. | **6f** | 286 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 233 |
| **h** Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 12 |
| **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:

2F 2G 2J 2K 2T 3D 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)** [ ] 0 **A** (Insurance Information)
- **(4)** [X] **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 C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2016**<br>**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
FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
FRUIT OF THE EARTH

**D** Employer Identification Number (EIN)
36-3101808

## Part I Service Provider Information (see instructions)

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

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions). . . . . ☐ Yes ☒ No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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

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

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04-2647786

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 37 64 65 | RECORDKEEPER | 14830 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [ ] No [X] |

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

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

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

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

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

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

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

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

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

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

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

## Part I Service Provider Information (continued)

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

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | | 14380 |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

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

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

## Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

## Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

**a** Name: GRANT THORNTON LLP
**b** EIN: 36-6055558
**c** Position: ACCOUNTANT
**d** Address: 1717 MAIN STREET
SUITE 1800
DALLAS, TX 75201
**e** Telephone: 214-561-2300

Explanation: ADJUSTED AND CHANGED ACCOUNTANTS.

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

# SCHEDULE H (Form 5500)

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
FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
FRUIT OF THE EARTH

**D** Employer Identification Number (EIN)
36-3101808

## 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 | 0 | 0 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 0 | 0 |
| **(2)** Participant contributions | 1b(2) | 0 | 0 |
| **(3)** Other | 1b(3) | 0 | 0 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 476611 | 634523 |
| **(2)** U.S. Government securities | 1c(2) | 0 | 0 |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | 0 | 0 |
| **(B)** All other | 1c(3)(B) | 0 | 0 |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | 0 | 0 |
| **(B)** Common | 1c(4)(B) | 0 | 0 |
| **(5)** Partnership/joint venture interests | 1c(5) | 0 | 0 |
| **(6)** Real estate (other than employer real property) | 1c(6) | 0 | 0 |
| **(7)** Loans (other than to participants) | 1c(7) | 0 | 0 |
| **(8)** Participant loans | 1c(8) | 271577 | 215457 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 0 | 0 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | 0 | 0 |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | 0 | 0 |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | 0 | 0 |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 3192235 | 3743920 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | 0 | 0 |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | 0 | 0 |
| | **(2)** Employer real property | 1d(2) | 0 | 0 |
| **e** | Buildings and other property used in plan operation | 1e | 0 | 0 |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 3940423 | 4593900 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | 0 | 0 |
| **h** | Operating payables | 1h | 0 | 0 |
| **i** | Acquisition indebtedness | 1i | 0 | 0 |
| **j** | Other liabilities | 1j | 0 | 0 |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 3940423 | 4593900 |

## 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) | 117814 | |
| | **(B)** Participants | 2a(1)(B) | 521493 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 0 | |
| | **(2)** Noncash contributions | 2a(2) | 0 | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 639307 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 276 | |
| | **(B)** U.S. Government securities | 2b(1)(B) | 0 | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | 0 | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | 0 | |
| | **(E)** Participant loans | 2b(1)(E) | 14034 | |
| | **(F)** Other | 2b(1)(F) | 0 | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 14310 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | 0 | |
| | **(B)** Common stock | 2b(2)(B) | 0 | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | 113793 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 113793 |
| | **(3)** Rents | 2b(3) | | 0 |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | 0 | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | 0 | |
| | **(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) | 0 | |
| | **(B)** Other | 2b(5)(B) | 0 | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | 0 |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | 0 |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | 0 |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | 0 |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | 96356 |
| c Other income | 2c | | 0 |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 863766 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 160063 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | 0 | |
| (3) Other | 2e(3) | 0 | |
| (4) Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 160063 |
| f Corrective distributions (see instructions) | 2f | | 33023 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | 2374 |
| h Interest expense | 2h | | 0 |
| i Administrative expenses: (1) Professional fees | 2i(1) | 0 | |
| (2) Contract administrator fees | 2i(2) | 0 | |
| (3) Investment advisory and management fees | 2i(3) | 0 | |
| (4) Other | 2i(4) | 14829 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 14829 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 210289 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 653477 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | 0 |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

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

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

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

**(1)** Name: WHITLEY PENN LLP **(2)** EIN: 75-2393478

**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 | | 38 |
| **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 | | 500000 |
| 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 | | X | |
| 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
FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
FRUIT OF THE EARTH

**D** Employer Identification Number (EIN)
36-3101808

## 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**

**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): 04-6568107

**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? 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 ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ 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 _____/_____/_____.

# FRUIT OF THE EARTH
# RETIREMENT SAVINGS PLAN

## FINANCIAL STATEMENTS
## AND SUPPLEMENTAL SCHEDULES

**Years Ended December 31, 2016 and 2015**
**with Report of Independent Auditors**

# FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN

## FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

## Years Ended December 31, 2016 and 2015

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# REPORT OF INDEPENDENT AUDITORS

To the Plan Administrator of the
Fruit of the Earth Retirement Savings Plan

We were engaged to audit the accompanying financial statements of the Fruit of the Earth Retirement Savings Plan, which comprise the statement of net assets available for benefits as of December 31, 2016, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Basis for Disclaimer of Opinion**

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note D, which was certified by Fidelity Management Trust Company, the Trustee of the Plan, except for comparing the information with the related information included in the 2016 financial statements. We have been informed by the plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the Trustee as of and for the year ended December 31, 2016, that the information provided to the plan administrator by the Trustee is complete and accurate.

**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion on the 2016 financial statements. Accordingly, we do not express an opinion on the 2016 financial statements.

**Other Matter – Supplemental Schedules**

The supplemental schedules of Form 5500, Schedule H, Line 4a – Schedule of Delinquent Participant Contributions and Form 5500, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of or for the year ended December 31, 2016 are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedules referred to above.

**Other Matter – 2015 Financial Statements**

The financial statements of the Plan as of December 31, 2015, were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed the predecessor auditors not to perform and they did not perform, any auditing procedures with respect to the information certified by the Trustee. Their report, dated October 7, 2016, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for the financial statements, and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

**Report on Form and Content in Compliance With Department of Labor Rules and Regulations 2016**

The form and content of the information included in the 2016 financial statements and supplemental schedules, other than that derived from the information certified by the Trustee, have been audited by us in accordance with GAAS and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



Fort Worth, Texas
September 20, 2017

**FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

| | December 31, 2016 | December 31, 2015 |
|---|---|---|
| **Assets** | | |
| Investments, at fair value | $ 4,378,443 | $ 3,668,846 |
| Notes receivable from participants | 215,457 | 271,577 |
| Total assets | 4,593,900 | 3,940,423 |
| **Liabilities** | | |
| Excess contributions payable | 29,672 | 33,023 |
| Net assets available for benefits | $ 4,564,228 | $ 3,907,400 |

See accompanying notes to financial statements.

**FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

| | Year Ended December 31, 2016 | 2015 |
|---|---|---|
| **Additions to Net Assets** | | |
| Investment income (loss): | | |
| Net realized and unrealized gains (losses) on investments | $ 96,356 | $ (129,327) |
| Interest and dividends | 114,069 | 145,802 |
| Total investment income | 210,425 | 16,475 |
| Interest income from notes receivable from participants | 14,034 | 10,601 |
| Contributions: | | |
| Participant | 521,493 | 536,154 |
| Rollover | - | 15,995 |
| Employer | 117,814 | 100,450 |
| Total contributions | 639,307 | 652,599 |
| Total additions to net assets | 863,766 | 679,675 |
| **Deductions from Net Assets** | | |
| Benefits paid to participants | 162,437 | 341,631 |
| Corrective distributions | 29,672 | 34,718 |
| Administrative expenses | 14,829 | 14,927 |
| Total deductions from net assets | 206,938 | 391,276 |
| Net increase in net assets available for benefits | 656,828 | 288,399 |
| Net assets available for benefits at beginning of year | 3,907,400 | 3,619,001 |
| Net assets available for benefits at end of year | $ 4,564,228 | $ 3,907,400 |

See accompanying notes to financial statements.

# FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN

## NOTES TO FINANCIAL STATEMENTS

## December 31, 2016 and 2015

### A. Description of the Plan

#### General

The following description of the Fruit of the Earth Retirement Savings Plan (the "Plan") provides only general information. The Plan is sponsored by Fruit of the Earth, Inc. (the "Company" or "Plan Sponsor"). Participants should refer to the Plan document for more complete information. The Company's corporate offices are located in Grand Prairie, Texas.

The Plan was effective July 1, 1997, and was restated effective January 27, 2015. The Plan is a defined contribution plan available to all employees of the Company who have attained age 18 and completed six months of service. Eligible employees may enter the Plan on the first day of the first or seventh month of the year. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The purpose of the Plan is to encourage the Company's employees to save and invest, systematically, a portion of their current compensation so that they and their families may have a source of additional income upon their retirement, or in the event of death.

#### Contributions

Participants may contribute up to 60% of pre-tax annual compensation, as defined by the Plan. Contributions are subject to limitations on annual additions and other limitations imposed by the Internal Revenue Code (the "Code") as defined in the Plan document. Eligible participants may make rollover contributions to the Plan.

Participants who are eligible to make salary deferral contributions under the Plan and who have attained age 50 before the close of the year may make catch-up contributions in accordance with, and subject to the limitations imposed by the Code.

Participants who elect to contribute to the Plan have the option to select among two available employer match options of either (a) 100% of each participant's contributions up to $50 per month; or (b) 25% of each participant's deferral percentage up to 1% of their total eligible compensation, not to exceed the maximum amounts allowed by the IRS regulations. The Company may make additional discretionary matching contributions to the Plan as determined annually by its management. In 2016 and 2015, the Company did not make any additional discretionary matching contributions.

## A. Description of the Plan – continued

### Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of: (a) the Company's contribution; and, (b) Plan earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

### Vesting

Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the Company contribution portion of accounts, plus actual earnings thereon is as follows:

| Years of Service | Vested Percentage |
|---|---|
| Less than 1 year | 0% |
| 1 year | 25% |
| 2 years | 50% |
| 3 years | 75% |
| 4 years | 100% |

In the event of disability, early retirement, or death, the participant will become fully vested.

### Participant Loans

Participants may borrow from their accounts a minimum of $1,000 up to a maximum amount equal to the lesser of $50,000 or 50% of their account balance. Loan terms range up to five years or if, for the purchase of a primary residence, can range up to 10 years. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Company. As of December 31, 2016 and 2015, interest rates are set at 5.75%. Principal and interest is paid ratably through payroll deductions. Participant loans are classified as notes receivable from participants in the Plan's financial statements.

### Benefit Payments

Participants withdrawing during the year for reasons of service or disability, retirement, death, or termination are entitled to their vested account balance. Benefits are distributed in the form of rollovers or lump sum payments. If withdrawing participants are not entitled to their entire account balance, the amounts not received are forfeited.

## A. Description of the Plan – continued

### Benefit Payments – continued

A participant may receive a hardship distribution from salary reduction contributions if the distribution is: (1) medical expenses for you, your spouse, children, dependents or a primary beneficiary designated by you under the Plan; (2) the purchase of your principal residence; (3) to prevent your eviction from, or foreclosure on, your principal residence; (4) to pay for post-secondary education expenses (tuition, related educational fees, room and board) for you, your spouse, children, dependents or a primary beneficiary designated by you under the Plan for the next twelve months; (5) to make payments for burial or funeral expenses for your deceased parent, spouse, child, dependent or a primary beneficiary designated by you under the Plan; (6) to pay expenses for the repair of damage to your principal residence that would qualify for the casualty deduction under Section 165 of the Code (without regard to whether the loss exceeds 10% of adjusted gross income); or any other immediate and heavy financial need as determined based on Internal Revenue Service ("IRS") regulations.

### Forfeitures

Forfeited balances of terminated participants' non-vested accounts are used to pay plan expenses or offset employer matching contributions and non-elective contributions for the year. Forfeitures used to offset employer matching contributions during the years ended December 31, 2016 and 2015, were $5,000 and $23,000, respectively. There were no unallocated forfeitures at December 31, 2016 and 2015.

### Investment Options

Upon enrollment in the Plan, a participant may direct their salary deferrals in 1% increments or specified dollar amounts into any of the Plan's investment options.

### Plan Expenses

Employees of the Company perform certain administrative functions with no compensation from the Plan. In accordance with Plan provisions, the Company pays substantially all costs relating to asset charges and recordkeeping. All significant administrative expenses are paid by the Company and are not reflected in the accompanying financial statements.

## B. Summary of Significant Accounting Policies

### Basis of Accounting

The financial statements of the Plan are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

**B. Summary of Significant Accounting Policies – continued**

**Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates.

**Contributions**

Contributions from the Company and participants are accrued as they become obligations of the Company, as determined by the Plan's administrator, and in the period in which they are deducted, in accordance with salary deferral agreements.

**Investment Valuation and Income**

The investments of the Plan are stated at fair value as of the end of the year and are subject to market or credit risks customarily associated with equity investments. Fair value measurements are determined in accordance with GAAP, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about assets and liabilities measured at fair value. See Note C for information related to the Plan's valuation methodologies.

Investment gains and losses are accounted for using the average cost basis of the securities sold. The net realized and unrealized gains and losses on investments include realized gains and losses on sales of investments during the year and unrealized increases or decreases in the market value of investments held at year end. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

**Notes Receivable from Participants**

Notes receivable from participants are recorded at the unpaid principal balance plus accrued but unpaid interest.

**Payment of Benefits**

Benefits are recorded when paid.

**B. Summary of Significant Accounting Policies – continued**

**New Accounting Pronouncements**

In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*. Part I is not applicable to the Plan. Part II eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. Part II also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics, and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. Part III is not applicable to the Plan.

The ASU is effective for fiscal years beginning after December 15, 2015. Plan management adopted Part II for the year beginning January 1, 2016. The adoption of ASU 2015-12 did not have an impact on the reported net assets or changes in net assets; however, the prior year disclosures have been changed to conform to this new standard.

**Reclassifications**

Certain prior year amounts have been reclassified to conform to the current year presentation.

**C. Fair Value Measurements**

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a three-tier hierarchy that is used to identify assets and liabilities measured at fair value. The hierarchy focuses on the inputs used to measure fair value and requires that the lowest level input be used. The three levels defined are as follows:

- Level 1 — observable inputs that are based upon quoted market prices for identical assets or liabilities within active markets.

- Level 2 — observable inputs other than Level 1 that are based upon quoted market prices for similar assets or liabilities, based upon quoted prices within inactive markets, or inputs other than quoted market prices that are observable through market data for substantially the full term of the asset or liability.

**C. Fair Value Measurements – continued**

- Level 3 — inputs that are unobservable for the particular asset or liability due to little or no market activity and are significant to the fair value of the asset or liability. These inputs reflect assumptions that market participants would use when valuing the particular asset or liability.

GAAP requires that management describe the methodologies used to measure the fair value of assets and liabilities. The methodologies used to measure the fair value of the Plan's investments are as follows:

- The money market fund is valued based on the short-term cash component as of the measurement date and classified within Level 1 of the valuation hierarchy.

- Mutual funds are valued at the published per share net asset value of shares held by the Plan and are classified within Level 1 of the valuation hierarchy. There are no significant restrictions on redeeming these investments at net asset value.

The Plan has no assets classified within Level 2 or Level 3 of the valuation hierarchy.

| | 2016 | 2015 |
|---|---|---|
| Money market fund | $ 634,523 | $ 476,611 |
| Mutual funds | 3,743,920 | 3,192,235 |
| | $ 4,378,443 | $ 3,668,846 |

**D. Information Certified by the Trustee**

The Plan administrator elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator limited auditing procedures with respect to the investment information certified by the trustee, Fidelity Management Trust Company, which included total investments as of December 31, 2016 and 2015, the total investment income for the years ended December 31, 2016 and 2015, and all information included in the supplemental schedule H, line 4i – schedule of assets (held at end of year).

**E. Tax Status**

Effective January 27, 2015, the Plan was amended and restated by the adoption of the Fidelity Volume Submitter Defined Contribution Plan which has a favorable advisory letter from the IRS dated March 31, 2014. This advisory letter states that the form of the volume submitter plan is acceptable under Section 401 of the Code. The Company may rely on this letter with respect to the qualification of the Plan under Code Section 401(a) with certain limitations.

Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Company believes that the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

GAAP requires 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 IRS. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2016, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**F. Plan Termination**

Although it has not expressed any intention to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions set forth in ERISA. In the event the Plan terminates, all amounts credited to participant's accounts will become 100% vested.

**G. Parties-in-Interest Transactions**

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50% or more of such an employer or employee organization, or relatives of such persons.

The Plan invests in shares of mutual funds and a money market fund managed by the Trustee. Transactions in such investments, as well as loans made to participants, qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules.

## H. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits as of December 31, 2016 and 2015, per the accompanying financial statements to the Form 5500:

| | 2016 | 2015 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 4,564,228 | $ 3,907,400 |
| Excess contributions payable per the financial statements | 29,672 | 33,023 |
| Net assets available for benefits per the Form 5500 | $ 4,593,900 | $ 3,940,423 |

The following is a reconciliation of the net increase in net assets available for benefits for the years ended December 31, 2016 and 2015, per the accompanying financial statements to the Form 5500:

| | 2016 | 2015 |
|---|---|---|
| Net increase in net assets available for benefits per the financial statements | $ 656,828 | $ 288,399 |
| Prior year liabilities per the financial statements | (33,023) | (23,603) |
| Current year liabilities per the financial statements | 29,672 | 33,023 |
| Net increase in net assets available for benefits per the Form 5500 | $ 653,477 | $ 297,819 |

The reconciling items noted above are due to the difference in the method of accounting used in preparing the Form 5500 as compared to the Plan's financial statements.

## I. Subsequent Events

In preparing the accompanying financial statements, management has evaluated all subsequent events and transactions for potential recognition or disclosure through September 20, 2017, the date the financial statements were available for issuance.

# SUPPLEMENTAL SCHEDULES

**FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN**

**FORM 5500, SCHEDULE H, LINE 4a -**
**SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS**

**December 31, 2016**

**EIN: 36-3101808**
**Plan #: 001**

| Participant Contributions Transferred Late to Plan (Check here if Late Participant Loan Repayments are included) ☐ | Total that Constitutes Nonexempt Prohibited Transactions | | | |
|---|---|---|---|---|
| | Contributions Not Corrected | Contributions Corrected Outside VFCP | Contributions Pending Correction in VFCP | Total Fully Corrected Under VFCP and PTE 2002-51 |
| $ 38 | $ - | $ 38 | $ - | $ - |

**FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN**

**FORM 5500, SCHEDULE H, LINE 4i -**
**SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**December 31, 2016**

**EIN: 36-3101808**
**Plan #: 001**

| (a) | (b) Identity of issuer, 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 |
|---|---|---|---|---|
| * | Fidelity Management Trust Company | Fidelity Retirement Money Market | ** | $ 634,523 |
| * | Fidelity Management Trust Company | Fidelity Investment Grade Bond | ** | 430,014 |
| * | Fidelity Management Trust Company | Fidelity Short Term Bond | ** | 359,867 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2040 | ** | 328,591 |
| * | Fidelity Management Trust Company | Fidelity Intermediate Bond | ** | 318,411 |
| * | Fidelity Management Trust Company | Fidelity Blue Chip Growth | ** | 240,781 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2030 | ** | 205,505 |
| * | Fidelity Management Trust Company | Fidelity Dividend Growth | ** | 188,022 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2045 | ** | 121,387 |
| * | Fidelity Management Trust Company | Fidelity Puritan | ** | 110,418 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2025 | ** | 106,963 |
| * | Fidelity Management Trust Company | Fidelity Mid-Cap Stock | ** | 104,329 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2035 | ** | 101,282 |
| * | Fidelity Management Trust Company | Fidelity OTC Portfolio | ** | 91,691 |
| * | Fidelity Management Trust Company | Fidelity Large-Cap Stock | ** | 86,773 |
| * | Fidelity Management Trust Company | Fidelity Contrafund | ** | 85,338 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2020 | ** | 83,990 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2050 | ** | 76,047 |
| * | Fidelity Management Trust Company | Fidelity Growth Company | ** | 76,016 |
| * | Fidelity Management Trust Company | Fidelity Diversified International | ** | 73,003 |
| * | Fidelity Management Trust Company | Fidelity Growth Strategies | ** | 65,936 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2015 | ** | 61,548 |
| * | Fidelity Management Trust Company | Fidelity Small Cap Discovery | ** | 58,988 |
| * | Fidelity Management Trust Company | Fidelity Real Estate Investment | ** | 51,968 |
| * | Fidelity Management Trust Company | Fidelity Freedom Income | ** | 44,601 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2055 | ** | 43,347 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2010 | ** | 43,338 |
| * | Fidelity Management Trust Company | Fidelity Small Cap Value | ** | 35,634 |
| * | Fidelity Management Trust Company | Fidelity Overseas | ** | 31,498 |
| * | Fidelity Management Trust Company | Fidelity Value | ** | 29,212 |
| * | Fidelity Management Trust Company | Fidelity Total Market Index Fund Premium | ** | 20,342 |
| * | Fidelity Management Trust Company | Fidelity Focused Stock | ** | 12,759 |
| * | Fidelity Management Trust Company | Fidelity Equity Dividend Income | ** | 11,667 |
| * | Fidelity Management Trust Company | Fidelity Export & Multinational | ** | 11,396 |
| * | Fidelity Management Trust Company | Fidelity Value Strategies | ** | 10,524 |
| * | Fidelity Management Trust Company | Fidelity Ext Market Index Fund Premium | ** | 9,783 |

**FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN**

**FORM 5500, SCHEDULE H, LINE 4i -**
**SCHEDULE OF ASSETS (HELD AT END OF YEAR)** ***(continued)***

**December 31, 2016**

**EIN: 36-3101808**
**Plan #: 001**

| **(a)** | **(b)** Identity of issuer, 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 |
|---|---|---|---|---|
| * | Fidelity Management Trust Company | Fidelity Equity Income | ** | $ 7,933 |
| * | Fidelity Management Trust Company | Fidelity Fund | ** | 3,606 |
| * | Fidelity Management Trust Company | Fidelity Ext Market Index Fund Investor | ** | 733 |
| * | Fidelity Management Trust Company | Fidelity Total Market Index Fund Investor | ** | 513 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2005 | ** | 166 |
| * | Participant loans | Interest rates 5.75% with various due | -0- | 215,457 |
| | | | | $ 4,593,900 |

* A party-in interest as defined by ERISA

** Cost omitted for participant directed investments

# FRUIT OF THE EARTH
# RETIREMENT SAVINGS PLAN

## FINANCIAL STATEMENTS
## AND SUPPLEMENTAL SCHEDULES

**Years Ended December 31, 2016 and 2015**
**with Report of Independent Auditors**

# FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN

## FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

## Years Ended December 31, 2016 and 2015

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# REPORT OF INDEPENDENT AUDITORS

To the Plan Administrator of the
Fruit of the Earth Retirement Savings Plan

We were engaged to audit the accompanying financial statements of the Fruit of the Earth Retirement Savings Plan, which comprise the statement of net assets available for benefits as of December 31, 2016, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Basis for Disclaimer of Opinion**

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note D, which was certified by Fidelity Management Trust Company, the Trustee of the Plan, except for comparing the information with the related information included in the 2016 financial statements. We have been informed by the plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the Trustee as of and for the year ended December 31, 2016, that the information provided to the plan administrator by the Trustee is complete and accurate.

**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion on the 2016 financial statements. Accordingly, we do not express an opinion on the 2016 financial statements.

**Other Matter – Supplemental Schedules**

The supplemental schedules of Form 5500, Schedule H, Line 4a – Schedule of Delinquent Participant Contributions and Form 5500, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of or for the year ended December 31, 2016 are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedules referred to above.

**Other Matter – 2015 Financial Statements**

The financial statements of the Plan as of December 31, 2015, were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed the predecessor auditors not to perform and they did not perform, any auditing procedures with respect to the information certified by the Trustee. Their report, dated October 7, 2016, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for the financial statements, and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

**Report on Form and Content in Compliance With Department of Labor Rules and Regulations 2016**

The form and content of the information included in the 2016 financial statements and supplemental schedules, other than that derived from the information certified by the Trustee, have been audited by us in accordance with GAAS and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



Fort Worth, Texas
September 20, 2017

**FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

| | December 31, 2016 | December 31, 2015 |
|---|---|---|
| **Assets** | | |
| Investments, at fair value | $ 4,378,443 | $ 3,668,846 |
| Notes receivable from participants | 215,457 | 271,577 |
| Total assets | 4,593,900 | 3,940,423 |
| **Liabilities** | | |
| Excess contributions payable | 29,672 | 33,023 |
| Net assets available for benefits | $ 4,564,228 | $ 3,907,400 |

See accompanying notes to financial statements.

**FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

| | Year Ended December 31, 2016 | 2015 |
|---|---|---|
| **Additions to Net Assets** | | |
| Investment income (loss): | | |
| Net realized and unrealized gains (losses) on investments | $ 96,356 | $ (129,327) |
| Interest and dividends | 114,069 | 145,802 |
| Total investment income | 210,425 | 16,475 |
| Interest income from notes receivable from participants | 14,034 | 10,601 |
| Contributions: | | |
| Participant | 521,493 | 536,154 |
| Rollover | - | 15,995 |
| Employer | 117,814 | 100,450 |
| Total contributions | 639,307 | 652,599 |
| Total additions to net assets | 863,766 | 679,675 |
| **Deductions from Net Assets** | | |
| Benefits paid to participants | 162,437 | 341,631 |
| Corrective distributions | 29,672 | 34,718 |
| Administrative expenses | 14,829 | 14,927 |
| Total deductions from net assets | 206,938 | 391,276 |
| Net increase in net assets available for benefits | 656,828 | 288,399 |
| Net assets available for benefits at beginning of year | 3,907,400 | 3,619,001 |
| Net assets available for benefits at end of year | $ 4,564,228 | $ 3,907,400 |

See accompanying notes to financial statements.

# FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN

## NOTES TO FINANCIAL STATEMENTS

## December 31, 2016 and 2015

### A. Description of the Plan

#### General

The following description of the Fruit of the Earth Retirement Savings Plan (the "Plan") provides only general information. The Plan is sponsored by Fruit of the Earth, Inc. (the "Company" or "Plan Sponsor"). Participants should refer to the Plan document for more complete information. The Company's corporate offices are located in Grand Prairie, Texas.

The Plan was effective July 1, 1997, and was restated effective January 27, 2015. The Plan is a defined contribution plan available to all employees of the Company who have attained age 18 and completed six months of service. Eligible employees may enter the Plan on the first day of the first or seventh month of the year. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The purpose of the Plan is to encourage the Company's employees to save and invest, systematically, a portion of their current compensation so that they and their families may have a source of additional income upon their retirement, or in the event of death.

#### Contributions

Participants may contribute up to 60% of pre-tax annual compensation, as defined by the Plan. Contributions are subject to limitations on annual additions and other limitations imposed by the Internal Revenue Code (the "Code") as defined in the Plan document. Eligible participants may make rollover contributions to the Plan.

Participants who are eligible to make salary deferral contributions under the Plan and who have attained age 50 before the close of the year may make catch-up contributions in accordance with, and subject to the limitations imposed by the Code.

Participants who elect to contribute to the Plan have the option to select among two available employer match options of either (a) 100% of each participant's contributions up to $50 per month; or (b) 25% of each participant's deferral percentage up to 1% of their total eligible compensation, not to exceed the maximum amounts allowed by the IRS regulations. The Company may make additional discretionary matching contributions to the Plan as determined annually by its management. In 2016 and 2015, the Company did not make any additional discretionary matching contributions.

## A. Description of the Plan – continued

### Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of: (a) the Company's contribution; and, (b) Plan earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

### Vesting

Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the Company contribution portion of accounts, plus actual earnings thereon is as follows:

| Years of Service | Vested Percentage |
|---|---|
| Less than 1 year | 0% |
| 1 year | 25% |
| 2 years | 50% |
| 3 years | 75% |
| 4 years | 100% |

In the event of disability, early retirement, or death, the participant will become fully vested.

### Participant Loans

Participants may borrow from their accounts a minimum of $1,000 up to a maximum amount equal to the lesser of $50,000 or 50% of their account balance. Loan terms range up to five years or if, for the purchase of a primary residence, can range up to 10 years. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Company. As of December 31, 2016 and 2015, interest rates are set at 5.75%. Principal and interest is paid ratably through payroll deductions. Participant loans are classified as notes receivable from participants in the Plan's financial statements.

### Benefit Payments

Participants withdrawing during the year for reasons of service or disability, retirement, death, or termination are entitled to their vested account balance. Benefits are distributed in the form of rollovers or lump sum payments. If withdrawing participants are not entitled to their entire account balance, the amounts not received are forfeited.

## A. Description of the Plan – continued

### Benefit Payments – continued

A participant may receive a hardship distribution from salary reduction contributions if the distribution is: (1) medical expenses for you, your spouse, children, dependents or a primary beneficiary designated by you under the Plan; (2) the purchase of your principal residence; (3) to prevent your eviction from, or foreclosure on, your principal residence; (4) to pay for post-secondary education expenses (tuition, related educational fees, room and board) for you, your spouse, children, dependents or a primary beneficiary designated by you under the Plan for the next twelve months; (5) to make payments for burial or funeral expenses for your deceased parent, spouse, child, dependent or a primary beneficiary designated by you under the Plan; (6) to pay expenses for the repair of damage to your principal residence that would qualify for the casualty deduction under Section 165 of the Code (without regard to whether the loss exceeds 10% of adjusted gross income); or any other immediate and heavy financial need as determined based on Internal Revenue Service ("IRS") regulations.

### Forfeitures

Forfeited balances of terminated participants' non-vested accounts are used to pay plan expenses or offset employer matching contributions and non-elective contributions for the year. Forfeitures used to offset employer matching contributions during the years ended December 31, 2016 and 2015, were $5,000 and $23,000, respectively. There were no unallocated forfeitures at December 31, 2016 and 2015.

### Investment Options

Upon enrollment in the Plan, a participant may direct their salary deferrals in 1% increments or specified dollar amounts into any of the Plan's investment options.

### Plan Expenses

Employees of the Company perform certain administrative functions with no compensation from the Plan. In accordance with Plan provisions, the Company pays substantially all costs relating to asset charges and recordkeeping. All significant administrative expenses are paid by the Company and are not reflected in the accompanying financial statements.

## B. Summary of Significant Accounting Policies

### Basis of Accounting

The financial statements of the Plan are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

**B. Summary of Significant Accounting Policies – continued**

**Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates.

**Contributions**

Contributions from the Company and participants are accrued as they become obligations of the Company, as determined by the Plan's administrator, and in the period in which they are deducted, in accordance with salary deferral agreements.

**Investment Valuation and Income**

The investments of the Plan are stated at fair value as of the end of the year and are subject to market or credit risks customarily associated with equity investments. Fair value measurements are determined in accordance with GAAP, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about assets and liabilities measured at fair value. See Note C for information related to the Plan's valuation methodologies.

Investment gains and losses are accounted for using the average cost basis of the securities sold. The net realized and unrealized gains and losses on investments include realized gains and losses on sales of investments during the year and unrealized increases or decreases in the market value of investments held at year end. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

**Notes Receivable from Participants**

Notes receivable from participants are recorded at the unpaid principal balance plus accrued but unpaid interest.

**Payment of Benefits**

Benefits are recorded when paid.

**B. Summary of Significant Accounting Policies – continued**

**New Accounting Pronouncements**

In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*. Part I is not applicable to the Plan. Part II eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. Part II also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics, and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. Part III is not applicable to the Plan.

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**Reclassifications**

Certain prior year amounts have been reclassified to conform to the current year presentation.

**C. Fair Value Measurements**

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a three-tier hierarchy that is used to identify assets and liabilities measured at fair value. The hierarchy focuses on the inputs used to measure fair value and requires that the lowest level input be used. The three levels defined are as follows:

- Level 1 — observable inputs that are based upon quoted market prices for identical assets or liabilities within active markets.

- Level 2 — observable inputs other than Level 1 that are based upon quoted market prices for similar assets or liabilities, based upon quoted prices within inactive markets, or inputs other than quoted market prices that are observable through market data for substantially the full term of the asset or liability.

**C. Fair Value Measurements – continued**

- Level 3 — inputs that are unobservable for the particular asset or liability due to little or no market activity and are significant to the fair value of the asset or liability. These inputs reflect assumptions that market participants would use when valuing the particular asset or liability.

GAAP requires that management describe the methodologies used to measure the fair value of assets and liabilities. The methodologies used to measure the fair value of the Plan's investments are as follows:

- The money market fund is valued based on the short-term cash component as of the measurement date and classified within Level 1 of the valuation hierarchy.

- Mutual funds are valued at the published per share net asset value of shares held by the Plan and are classified within Level 1 of the valuation hierarchy. There are no significant restrictions on redeeming these investments at net asset value.

The Plan has no assets classified within Level 2 or Level 3 of the valuation hierarchy.

| | 2016 | 2015 |
|---|---|---|
| Money market fund | $ 634,523 | $ 476,611 |
| Mutual funds | 3,743,920 | 3,192,235 |
| | $ 4,378,443 | $ 3,668,846 |

**D. Information Certified by the Trustee**

The Plan administrator elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator limited auditing procedures with respect to the investment information certified by the trustee, Fidelity Management Trust Company, which included total investments as of December 31, 2016 and 2015, the total investment income for the years ended December 31, 2016 and 2015, and all information included in the supplemental schedule H, line 4i – schedule of assets (held at end of year).

**E. Tax Status**

Effective January 27, 2015, the Plan was amended and restated by the adoption of the Fidelity Volume Submitter Defined Contribution Plan which has a favorable advisory letter from the IRS dated March 31, 2014. This advisory letter states that the form of the volume submitter plan is acceptable under Section 401 of the Code. The Company may rely on this letter with respect to the qualification of the Plan under Code Section 401(a) with certain limitations.

Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Company believes that the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

GAAP requires 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 IRS. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2016, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**F. Plan Termination**

Although it has not expressed any intention to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions set forth in ERISA. In the event the Plan terminates, all amounts credited to participant's accounts will become 100% vested.

**G. Parties-in-Interest Transactions**

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50% or more of such an employer or employee organization, or relatives of such persons.

The Plan invests in shares of mutual funds and a money market fund managed by the Trustee. Transactions in such investments, as well as loans made to participants, qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules.

## H. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits as of December 31, 2016 and 2015, per the accompanying financial statements to the Form 5500:

| | 2016 | 2015 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 4,564,228 | $ 3,907,400 |
| Excess contributions payable per the financial statements | 29,672 | 33,023 |
| Net assets available for benefits per the Form 5500 | $ 4,593,900 | $ 3,940,423 |

The following is a reconciliation of the net increase in net assets available for benefits for the years ended December 31, 2016 and 2015, per the accompanying financial statements to the Form 5500:

| | 2016 | 2015 |
|---|---|---|
| Net increase in net assets available for benefits per the financial statements | $ 656,828 | $ 288,399 |
| Prior year liabilities per the financial statements | (33,023) | (23,603) |
| Current year liabilities per the financial statements | 29,672 | 33,023 |
| Net increase in net assets available for benefits per the Form 5500 | $ 653,477 | $ 297,819 |

The reconciling items noted above are due to the difference in the method of accounting used in preparing the Form 5500 as compared to the Plan's financial statements.

## I. Subsequent Events

In preparing the accompanying financial statements, management has evaluated all subsequent events and transactions for potential recognition or disclosure through September 20, 2017, the date the financial statements were available for issuance.

# SUPPLEMENTAL SCHEDULES

**FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN**

**FORM 5500, SCHEDULE H, LINE 4a -**
**SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS**

**December 31, 2016**

**EIN: 36-3101808**
**Plan #: 001**

| Participant Contributions Transferred Late to Plan (Check here if Late Participant Loan Repayments are included) ☐ | Total that Constitutes Nonexempt Prohibited Transactions | | | |
|---|---|---|---|---|
| | Contributions Not Corrected | Contributions Corrected Outside VFCP | Contributions Pending Correction in VFCP | Total Fully Corrected Under VFCP and PTE 2002-51 |
| $ 38 | $ - | $ 38 | $ - | $ - |

**FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN**

**FORM 5500, SCHEDULE H, LINE 4i -**
**SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**December 31, 2016**

**EIN: 36-3101808**
**Plan #: 001**

| (a) | (b) Identity of issuer, 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 |
|---|---|---|---|---|
| * | Fidelity Management Trust Company | Fidelity Retirement Money Market | ** | $ 634,523 |
| * | Fidelity Management Trust Company | Fidelity Investment Grade Bond | ** | 430,014 |
| * | Fidelity Management Trust Company | Fidelity Short Term Bond | ** | 359,867 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2040 | ** | 328,591 |
| * | Fidelity Management Trust Company | Fidelity Intermediate Bond | ** | 318,411 |
| * | Fidelity Management Trust Company | Fidelity Blue Chip Growth | ** | 240,781 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2030 | ** | 205,505 |
| * | Fidelity Management Trust Company | Fidelity Dividend Growth | ** | 188,022 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2045 | ** | 121,387 |
| * | Fidelity Management Trust Company | Fidelity Puritan | ** | 110,418 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2025 | ** | 106,963 |
| * | Fidelity Management Trust Company | Fidelity Mid-Cap Stock | ** | 104,329 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2035 | ** | 101,282 |
| * | Fidelity Management Trust Company | Fidelity OTC Portfolio | ** | 91,691 |
| * | Fidelity Management Trust Company | Fidelity Large-Cap Stock | ** | 86,773 |
| * | Fidelity Management Trust Company | Fidelity Contrafund | ** | 85,338 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2020 | ** | 83,990 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2050 | ** | 76,047 |
| * | Fidelity Management Trust Company | Fidelity Growth Company | ** | 76,016 |
| * | Fidelity Management Trust Company | Fidelity Diversified International | ** | 73,003 |
| * | Fidelity Management Trust Company | Fidelity Growth Strategies | ** | 65,936 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2015 | ** | 61,548 |
| * | Fidelity Management Trust Company | Fidelity Small Cap Discovery | ** | 58,988 |
| * | Fidelity Management Trust Company | Fidelity Real Estate Investment | ** | 51,968 |
| * | Fidelity Management Trust Company | Fidelity Freedom Income | ** | 44,601 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2055 | ** | 43,347 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2010 | ** | 43,338 |
| * | Fidelity Management Trust Company | Fidelity Small Cap Value | ** | 35,634 |
| * | Fidelity Management Trust Company | Fidelity Overseas | ** | 31,498 |
| * | Fidelity Management Trust Company | Fidelity Value | ** | 29,212 |
| * | Fidelity Management Trust Company | Fidelity Total Market Index Fund Premium | ** | 20,342 |
| * | Fidelity Management Trust Company | Fidelity Focused Stock | ** | 12,759 |
| * | Fidelity Management Trust Company | Fidelity Equity Dividend Income | ** | 11,667 |
| * | Fidelity Management Trust Company | Fidelity Export & Multinational | ** | 11,396 |
| * | Fidelity Management Trust Company | Fidelity Value Strategies | ** | 10,524 |
| * | Fidelity Management Trust Company | Fidelity Ext Market Index Fund Premium | ** | 9,783 |

**FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN**

**FORM 5500, SCHEDULE H, LINE 4i -**
**SCHEDULE OF ASSETS (HELD AT END OF YEAR)** ***(continued)***

**December 31, 2016**

**EIN: 36-3101808**
**Plan #: 001**

| **(a)** | **(b)** Identity of issuer, 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 |
|---|---|---|---|---|
| * | Fidelity Management Trust Company | Fidelity Equity Income | ** | $ 7,933 |
| * | Fidelity Management Trust Company | Fidelity Fund | ** | 3,606 |
| * | Fidelity Management Trust Company | Fidelity Ext Market Index Fund Investor | ** | 733 |
| * | Fidelity Management Trust Company | Fidelity Total Market Index Fund Investor | ** | 513 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2005 | ** | 166 |
| * | Participant loans | Interest rates 5.75% with various due | -0- | 215,457 |
| | | | | $ 4,593,900 |

* A party-in interest as defined by ERISA

** Cost omitted for participant directed investments

# FRUIT OF THE EARTH
# RETIREMENT SAVINGS PLAN

## FINANCIAL STATEMENTS
## AND SUPPLEMENTAL SCHEDULES

**Years Ended December 31, 2016 and 2015**
**with Report of Independent Auditors**

# FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN

## FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

## Years Ended December 31, 2016 and 2015

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# REPORT OF INDEPENDENT AUDITORS

To the Plan Administrator of the
Fruit of the Earth Retirement Savings Plan

We were engaged to audit the accompanying financial statements of the Fruit of the Earth Retirement Savings Plan, which comprise the statement of net assets available for benefits as of December 31, 2016, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Basis for Disclaimer of Opinion**

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note D, which was certified by Fidelity Management Trust Company, the Trustee of the Plan, except for comparing the information with the related information included in the 2016 financial statements. We have been informed by the plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the Trustee as of and for the year ended December 31, 2016, that the information provided to the plan administrator by the Trustee is complete and accurate.

**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion on the 2016 financial statements. Accordingly, we do not express an opinion on the 2016 financial statements.

**Other Matter – Supplemental Schedules**

The supplemental schedules of Form 5500, Schedule H, Line 4a – Schedule of Delinquent Participant Contributions and Form 5500, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of or for the year ended December 31, 2016 are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedules referred to above.

**Other Matter – 2015 Financial Statements**

The financial statements of the Plan as of December 31, 2015, were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed the predecessor auditors not to perform and they did not perform, any auditing procedures with respect to the information certified by the Trustee. Their report, dated October 7, 2016, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for the financial statements, and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

**Report on Form and Content in Compliance With Department of Labor Rules and Regulations 2016**

The form and content of the information included in the 2016 financial statements and supplemental schedules, other than that derived from the information certified by the Trustee, have been audited by us in accordance with GAAS and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



Fort Worth, Texas
September 20, 2017

**FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

| | December 31, 2016 | December 31, 2015 |
|---|---|---|
| **Assets** | | |
| Investments, at fair value | $ 4,378,443 | $ 3,668,846 |
| Notes receivable from participants | 215,457 | 271,577 |
| Total assets | 4,593,900 | 3,940,423 |
| **Liabilities** | | |
| Excess contributions payable | 29,672 | 33,023 |
| Net assets available for benefits | $ 4,564,228 | $ 3,907,400 |

See accompanying notes to financial statements.

**FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

| | Year Ended December 31, 2016 | 2015 |
|---|---|---|
| **Additions to Net Assets** | | |
| Investment income (loss): | | |
| Net realized and unrealized gains (losses) on investments | $ 96,356 | $ (129,327) |
| Interest and dividends | 114,069 | 145,802 |
| Total investment income | 210,425 | 16,475 |
| Interest income from notes receivable from participants | 14,034 | 10,601 |
| Contributions: | | |
| Participant | 521,493 | 536,154 |
| Rollover | - | 15,995 |
| Employer | 117,814 | 100,450 |
| Total contributions | 639,307 | 652,599 |
| Total additions to net assets | 863,766 | 679,675 |
| **Deductions from Net Assets** | | |
| Benefits paid to participants | 162,437 | 341,631 |
| Corrective distributions | 29,672 | 34,718 |
| Administrative expenses | 14,829 | 14,927 |
| Total deductions from net assets | 206,938 | 391,276 |
| Net increase in net assets available for benefits | 656,828 | 288,399 |
| Net assets available for benefits at beginning of year | 3,907,400 | 3,619,001 |
| Net assets available for benefits at end of year | $ 4,564,228 | $ 3,907,400 |

See accompanying notes to financial statements.

# FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN

## NOTES TO FINANCIAL STATEMENTS

## December 31, 2016 and 2015

### A. Description of the Plan

#### General

The following description of the Fruit of the Earth Retirement Savings Plan (the "Plan") provides only general information. The Plan is sponsored by Fruit of the Earth, Inc. (the "Company" or "Plan Sponsor"). Participants should refer to the Plan document for more complete information. The Company's corporate offices are located in Grand Prairie, Texas.

The Plan was effective July 1, 1997, and was restated effective January 27, 2015. The Plan is a defined contribution plan available to all employees of the Company who have attained age 18 and completed six months of service. Eligible employees may enter the Plan on the first day of the first or seventh month of the year. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The purpose of the Plan is to encourage the Company's employees to save and invest, systematically, a portion of their current compensation so that they and their families may have a source of additional income upon their retirement, or in the event of death.

#### Contributions

Participants may contribute up to 60% of pre-tax annual compensation, as defined by the Plan. Contributions are subject to limitations on annual additions and other limitations imposed by the Internal Revenue Code (the "Code") as defined in the Plan document. Eligible participants may make rollover contributions to the Plan.

Participants who are eligible to make salary deferral contributions under the Plan and who have attained age 50 before the close of the year may make catch-up contributions in accordance with, and subject to the limitations imposed by the Code.

Participants who elect to contribute to the Plan have the option to select among two available employer match options of either (a) 100% of each participant's contributions up to $50 per month; or (b) 25% of each participant's deferral percentage up to 1% of their total eligible compensation, not to exceed the maximum amounts allowed by the IRS regulations. The Company may make additional discretionary matching contributions to the Plan as determined annually by its management. In 2016 and 2015, the Company did not make any additional discretionary matching contributions.

## A. Description of the Plan – continued

### Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of: (a) the Company's contribution; and, (b) Plan earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

### Vesting

Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the Company contribution portion of accounts, plus actual earnings thereon is as follows:

| Years of Service | Vested Percentage |
|---|---|
| Less than 1 year | 0% |
| 1 year | 25% |
| 2 years | 50% |
| 3 years | 75% |
| 4 years | 100% |

In the event of disability, early retirement, or death, the participant will become fully vested.

### Participant Loans

Participants may borrow from their accounts a minimum of $1,000 up to a maximum amount equal to the lesser of $50,000 or 50% of their account balance. Loan terms range up to five years or if, for the purchase of a primary residence, can range up to 10 years. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Company. As of December 31, 2016 and 2015, interest rates are set at 5.75%. Principal and interest is paid ratably through payroll deductions. Participant loans are classified as notes receivable from participants in the Plan's financial statements.

### Benefit Payments

Participants withdrawing during the year for reasons of service or disability, retirement, death, or termination are entitled to their vested account balance. Benefits are distributed in the form of rollovers or lump sum payments. If withdrawing participants are not entitled to their entire account balance, the amounts not received are forfeited.

## A. Description of the Plan – continued

### Benefit Payments – continued

A participant may receive a hardship distribution from salary reduction contributions if the distribution is: (1) medical expenses for you, your spouse, children, dependents or a primary beneficiary designated by you under the Plan; (2) the purchase of your principal residence; (3) to prevent your eviction from, or foreclosure on, your principal residence; (4) to pay for post-secondary education expenses (tuition, related educational fees, room and board) for you, your spouse, children, dependents or a primary beneficiary designated by you under the Plan for the next twelve months; (5) to make payments for burial or funeral expenses for your deceased parent, spouse, child, dependent or a primary beneficiary designated by you under the Plan; (6) to pay expenses for the repair of damage to your principal residence that would qualify for the casualty deduction under Section 165 of the Code (without regard to whether the loss exceeds 10% of adjusted gross income); or any other immediate and heavy financial need as determined based on Internal Revenue Service ("IRS") regulations.

### Forfeitures

Forfeited balances of terminated participants' non-vested accounts are used to pay plan expenses or offset employer matching contributions and non-elective contributions for the year. Forfeitures used to offset employer matching contributions during the years ended December 31, 2016 and 2015, were $5,000 and $23,000, respectively. There were no unallocated forfeitures at December 31, 2016 and 2015.

### Investment Options

Upon enrollment in the Plan, a participant may direct their salary deferrals in 1% increments or specified dollar amounts into any of the Plan's investment options.

### Plan Expenses

Employees of the Company perform certain administrative functions with no compensation from the Plan. In accordance with Plan provisions, the Company pays substantially all costs relating to asset charges and recordkeeping. All significant administrative expenses are paid by the Company and are not reflected in the accompanying financial statements.

## B. Summary of Significant Accounting Policies

### Basis of Accounting

The financial statements of the Plan are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

**B. Summary of Significant Accounting Policies – continued**

**Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates.

**Contributions**

Contributions from the Company and participants are accrued as they become obligations of the Company, as determined by the Plan's administrator, and in the period in which they are deducted, in accordance with salary deferral agreements.

**Investment Valuation and Income**

The investments of the Plan are stated at fair value as of the end of the year and are subject to market or credit risks customarily associated with equity investments. Fair value measurements are determined in accordance with GAAP, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about assets and liabilities measured at fair value. See Note C for information related to the Plan's valuation methodologies.

Investment gains and losses are accounted for using the average cost basis of the securities sold. The net realized and unrealized gains and losses on investments include realized gains and losses on sales of investments during the year and unrealized increases or decreases in the market value of investments held at year end. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

**Notes Receivable from Participants**

Notes receivable from participants are recorded at the unpaid principal balance plus accrued but unpaid interest.

**Payment of Benefits**

Benefits are recorded when paid.

**B. Summary of Significant Accounting Policies – continued**

**New Accounting Pronouncements**

In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*. Part I is not applicable to the Plan. Part II eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. Part II also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics, and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. Part III is not applicable to the Plan.

The ASU is effective for fiscal years beginning after December 15, 2015. Plan management adopted Part II for the year beginning January 1, 2016. The adoption of ASU 2015-12 did not have an impact on the reported net assets or changes in net assets; however, the prior year disclosures have been changed to conform to this new standard.

**Reclassifications**

Certain prior year amounts have been reclassified to conform to the current year presentation.

**C. Fair Value Measurements**

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a three-tier hierarchy that is used to identify assets and liabilities measured at fair value. The hierarchy focuses on the inputs used to measure fair value and requires that the lowest level input be used. The three levels defined are as follows:

- Level 1 — observable inputs that are based upon quoted market prices for identical assets or liabilities within active markets.

- Level 2 — observable inputs other than Level 1 that are based upon quoted market prices for similar assets or liabilities, based upon quoted prices within inactive markets, or inputs other than quoted market prices that are observable through market data for substantially the full term of the asset or liability.

**C. Fair Value Measurements – continued**

- Level 3 — inputs that are unobservable for the particular asset or liability due to little or no market activity and are significant to the fair value of the asset or liability. These inputs reflect assumptions that market participants would use when valuing the particular asset or liability.

GAAP requires that management describe the methodologies used to measure the fair value of assets and liabilities. The methodologies used to measure the fair value of the Plan's investments are as follows:

- The money market fund is valued based on the short-term cash component as of the measurement date and classified within Level 1 of the valuation hierarchy.

- Mutual funds are valued at the published per share net asset value of shares held by the Plan and are classified within Level 1 of the valuation hierarchy. There are no significant restrictions on redeeming these investments at net asset value.

The Plan has no assets classified within Level 2 or Level 3 of the valuation hierarchy.

| | 2016 | 2015 |
|---|---|---|
| Money market fund | $ 634,523 | $ 476,611 |
| Mutual funds | 3,743,920 | 3,192,235 |
| | $ 4,378,443 | $ 3,668,846 |

**D. Information Certified by the Trustee**

The Plan administrator elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator limited auditing procedures with respect to the investment information certified by the trustee, Fidelity Management Trust Company, which included total investments as of December 31, 2016 and 2015, the total investment income for the years ended December 31, 2016 and 2015, and all information included in the supplemental schedule H, line 4i – schedule of assets (held at end of year).

**E. Tax Status**

Effective January 27, 2015, the Plan was amended and restated by the adoption of the Fidelity Volume Submitter Defined Contribution Plan which has a favorable advisory letter from the IRS dated March 31, 2014. This advisory letter states that the form of the volume submitter plan is acceptable under Section 401 of the Code. The Company may rely on this letter with respect to the qualification of the Plan under Code Section 401(a) with certain limitations.

Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Company believes that the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

GAAP requires 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 IRS. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2016, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

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**G. Parties-in-Interest Transactions**

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50% or more of such an employer or employee organization, or relatives of such persons.

The Plan invests in shares of mutual funds and a money market fund managed by the Trustee. Transactions in such investments, as well as loans made to participants, qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules.

## H. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits as of December 31, 2016 and 2015, per the accompanying financial statements to the Form 5500:

| | 2016 | 2015 |
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| Net assets available for benefits per the financial statements | $ 4,564,228 | $ 3,907,400 |
| Excess contributions payable per the financial statements | 29,672 | 33,023 |
| Net assets available for benefits per the Form 5500 | $ 4,593,900 | $ 3,940,423 |

The following is a reconciliation of the net increase in net assets available for benefits for the years ended December 31, 2016 and 2015, per the accompanying financial statements to the Form 5500:

| | 2016 | 2015 |
|---|---|---|
| Net increase in net assets available for benefits per the financial statements | $ 656,828 | $ 288,399 |
| Prior year liabilities per the financial statements | (33,023) | (23,603) |
| Current year liabilities per the financial statements | 29,672 | 33,023 |
| Net increase in net assets available for benefits per the Form 5500 | $ 653,477 | $ 297,819 |

The reconciling items noted above are due to the difference in the method of accounting used in preparing the Form 5500 as compared to the Plan's financial statements.

## I. Subsequent Events

In preparing the accompanying financial statements, management has evaluated all subsequent events and transactions for potential recognition or disclosure through September 20, 2017, the date the financial statements were available for issuance.

# SUPPLEMENTAL SCHEDULES

**FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN**

**FORM 5500, SCHEDULE H, LINE 4a -**
**SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS**

**December 31, 2016**

**EIN: 36-3101808**
**Plan #: 001**

| Participant Contributions Transferred Late to Plan (Check here if Late Participant Loan Repayments are included) ☐ | Total that Constitutes Nonexempt Prohibited Transactions | | | |
|---|---|---|---|---|
| | Contributions Not Corrected | Contributions Corrected Outside VFCP | Contributions Pending Correction in VFCP | Total Fully Corrected Under VFCP and PTE 2002-51 |
| $ 38 | $ - | $ 38 | $ - | $ - |

**FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN**

**FORM 5500, SCHEDULE H, LINE 4i -**
**SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**December 31, 2016**

**EIN: 36-3101808**
**Plan #: 001**

| (a) | (b) Identity of issuer, 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 |
|---|---|---|---|---|
| * | Fidelity Management Trust Company | Fidelity Retirement Money Market | ** | $ 634,523 |
| * | Fidelity Management Trust Company | Fidelity Investment Grade Bond | ** | 430,014 |
| * | Fidelity Management Trust Company | Fidelity Short Term Bond | ** | 359,867 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2040 | ** | 328,591 |
| * | Fidelity Management Trust Company | Fidelity Intermediate Bond | ** | 318,411 |
| * | Fidelity Management Trust Company | Fidelity Blue Chip Growth | ** | 240,781 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2030 | ** | 205,505 |
| * | Fidelity Management Trust Company | Fidelity Dividend Growth | ** | 188,022 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2045 | ** | 121,387 |
| * | Fidelity Management Trust Company | Fidelity Puritan | ** | 110,418 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2025 | ** | 106,963 |
| * | Fidelity Management Trust Company | Fidelity Mid-Cap Stock | ** | 104,329 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2035 | ** | 101,282 |
| * | Fidelity Management Trust Company | Fidelity OTC Portfolio | ** | 91,691 |
| * | Fidelity Management Trust Company | Fidelity Large-Cap Stock | ** | 86,773 |
| * | Fidelity Management Trust Company | Fidelity Contrafund | ** | 85,338 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2020 | ** | 83,990 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2050 | ** | 76,047 |
| * | Fidelity Management Trust Company | Fidelity Growth Company | ** | 76,016 |
| * | Fidelity Management Trust Company | Fidelity Diversified International | ** | 73,003 |
| * | Fidelity Management Trust Company | Fidelity Growth Strategies | ** | 65,936 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2015 | ** | 61,548 |
| * | Fidelity Management Trust Company | Fidelity Small Cap Discovery | ** | 58,988 |
| * | Fidelity Management Trust Company | Fidelity Real Estate Investment | ** | 51,968 |
| * | Fidelity Management Trust Company | Fidelity Freedom Income | ** | 44,601 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2055 | ** | 43,347 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2010 | ** | 43,338 |
| * | Fidelity Management Trust Company | Fidelity Small Cap Value | ** | 35,634 |
| * | Fidelity Management Trust Company | Fidelity Overseas | ** | 31,498 |
| * | Fidelity Management Trust Company | Fidelity Value | ** | 29,212 |
| * | Fidelity Management Trust Company | Fidelity Total Market Index Fund Premium | ** | 20,342 |
| * | Fidelity Management Trust Company | Fidelity Focused Stock | ** | 12,759 |
| * | Fidelity Management Trust Company | Fidelity Equity Dividend Income | ** | 11,667 |
| * | Fidelity Management Trust Company | Fidelity Export & Multinational | ** | 11,396 |
| * | Fidelity Management Trust Company | Fidelity Value Strategies | ** | 10,524 |
| * | Fidelity Management Trust Company | Fidelity Ext Market Index Fund Premium | ** | 9,783 |

**FRUIT OF THE EARTH RETIREMENT SAVINGS PLAN**

**FORM 5500, SCHEDULE H, LINE 4i -**
**SCHEDULE OF ASSETS (HELD AT END OF YEAR)** ***(continued)***

**December 31, 2016**

**EIN: 36-3101808**
**Plan #: 001**

| **(a)** | **(b)** Identity of issuer, 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 |
|---|---|---|---|---|
| * | Fidelity Management Trust Company | Fidelity Equity Income | ** | $ 7,933 |
| * | Fidelity Management Trust Company | Fidelity Fund | ** | 3,606 |
| * | Fidelity Management Trust Company | Fidelity Ext Market Index Fund Investor | ** | 733 |
| * | Fidelity Management Trust Company | Fidelity Total Market Index Fund Investor | ** | 513 |
| * | Fidelity Management Trust Company | Fidelity Freedom 2005 | ** | 166 |
| * | Participant loans | Interest rates 5.75% with various due | -0- | 215,457 |
| | | | | $ 4,593,900 |

* A party-in interest as defined by ERISA

** Cost omitted for participant directed investments