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
401(K) PLAN FOR BROWN DISTRIBUTING COMPANY, LTD

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1976

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

8711 JOHNNY MORRIS ROAD
AUSTIN, TX 78724-2006

2b Employer Identification Number (EIN) 74-2983920

2c Plan Sponsor's telephone number 512-478-9353

2d Business code (see instructions) 424800

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.	10/10/2017	GAYLE A. NIXON
	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**	474
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)**	414
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	409
b	Retired or separated participants receiving benefits	**6b**	11
c	Other retired or separated participants entitled to future benefits	**6c**	49
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	469
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f	Total. Add lines **6d** and **6e**.	**6f**	469
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	374
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	68
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 2F 2G 2J 2K 2T 3D

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] **A** (Insurance Information) ___
- **(4)** [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 Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**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
401(K) PLAN FOR BROWN DISTRIBUTING COMPANY, LTD

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BROWN DISTRIBUTING COMPANY, LTD

D Employer Identification Number (EIN)
74-2983920

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

RETIREMENT HORIZONS INC.

76-0551734

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

MAXWELL LOCKE & RITTER

74-2900215

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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)

MAXWELL LOCKE & RITTER

74-2900215

(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?
27	NONE	40000	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

RETIREMENT HORIZONS INC.

76-0551734

(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?
15	NONE	30053	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

BULL & ASSOCIATES

74-2674816

(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?
10	NONE	10987	Yes [ ] No [X]	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)

TD AMERITRADE TRUST COMPANY

84-0519832

(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?
21	NONE	8638	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
(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

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(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:	**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:

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
401(K) PLAN FOR BROWN DISTRIBUTING COMPANY, LTD

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BROWN DISTRIBUTING COMPANY, LTD

D Employer Identification Number (EIN)
74-2983920

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	15078	20226
(2) Participant contributions	1b(2)	29607	42800
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	227059	198487
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	546438	530639
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	21350731	23802974
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	22168913	24595126
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	22168913	24595126

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)	394130	
	(B) Participants	2a(1)(B)	987817	
	(C) Others (including rollovers)	2a(1)(C)	271	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1382218
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	26644	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		26644
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	429064	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		429064
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)		
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		1796605
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		3634531
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1057119	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		1057119
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		61791
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	30053	
(2) Contract administrator fees	2i(2)	8368	
(3) Investment advisory and management fees	2i(3)	40000	
(4) Other	2i(4)	10987	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		89408
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1208318
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		2426213
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☐ Unqualified **(2)** ☐ Qualified **(3)** ☒ Disclaimer **(4)** ☐ Adverse

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

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

(1) Name: BULL & ASSOCIATES **(2)** EIN: 74-2674816

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. **(2)** ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		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			
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
401(K) PLAN FOR BROWN DISTRIBUTING COMPANY, LTD

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BROWN DISTRIBUTING COMPANY, LTD

D Employer Identification Number (EIN)
74-2983920

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 84-0519832

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 _____/_____/_____.

401(K) PLAN FOR
BROWN DISTRIBUTING COMPANY, LTD.

FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE
as of and for the years ended
December 31, 2016 and 2015

401(K) PLAN FOR
BROWN DISTRIBUTING COMPANY, LTD.
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
December 31, 2016 and 2015

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Bull
& Associates
Certified Public Accountants
E.J. (Sandy) Bull
Kathryn A. (Katie) Kelly

Independent Auditors' Report

To the Advisory Committee of the
401(k) Plan for Brown Distributing Company, LTD.

Report on the Financial Statements
We were engaged to audit the accompanying financial statements of the 401(k) Plan for Brown Distributing Company, LTD. (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

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

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

Basis for Disclaimer of Opinion
As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note C, which was certified by TD Ameritrade Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the 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

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Phone (512) 328-3111 • Fax (512) 328-2211

the years ended December 31, 2016 and 2015, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

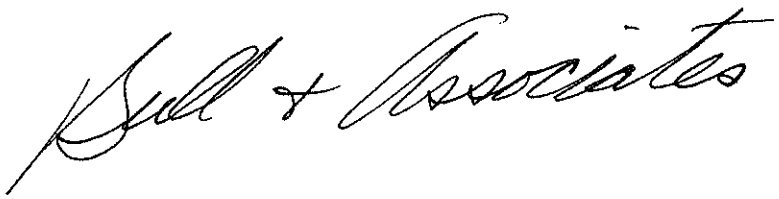
Other Matter

The supplemental schedule of Assets (Held at End of Year) as of December 31, 2016 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and 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, we do not express an opinion on the supplemental schedules referred to above.

Report on Form and Content in Compliance with DOL Rules and Regulations

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

October 3, 2017
Austin, Texas



401(K) PLAN FOR
BROWN DISTRIBUTING COMPANY, LTD.
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2016 and 2015

	2016	2015
Assets:		
Investments at fair value:		
Money Market	$ 198,487	$ 227,059
Mutual funds	23,802,974	21,350,731
	24,001,461	21,577,790
Receivables:		
Employee's contributions	42,800	29,607
Employer's contributions	20,226	15,078
Notes receivable from participants	530,639	546,438
	593,665	591,123
Total assets	24,595,126	22,168,913
Total liabilities	-	-
Net Assets Available for Benefits	$ 24,595,126	$ 22,168,913

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

401(K) PLAN FOR
BROWN DISTRIBUTING COMPANY, LTD.
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
for the years ended December 31, 2016 and 2015

	2016	2015
Additions (subtractions) to net assets attributed to:		
Contributions:		
Participant	$ 987,817	$ 1,009,145
Employer	394,130	385,522
Rollover	271	11,042
Total contributions	1,382,218	1,405,709
Appreciation (depreciation) of investments:		
Net gain (loss) from mutual funds	1,458,782	(955,398)
Investment income	766,887	745,400
Participant loan interest	26,644	28,933
Total appreciation (depreciation)	2,252,313	(181,065)
Total additions (subtractions)	3,634,531	1,224,644
Deductions from net assets attributed to:		
Benefits paid to participants	1,118,910	1,970,610
Administrative fees	89,408	83,276
Total deductions	1,208,318	2,053,886
Increase (decrease) in net assets available for plan benefits	2,426,213	(829,242)
Net assets available for benefits:		
Beginning balance	22,168,913	22,998,155
Ending balance	$ 24,595,126	$ 22,168,913

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

A. Description of Plan

The following is a brief description of the 401(k) Plan for Brown Distributing Company, LTD. (the "Plan"). It is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

1. General. The Plan is a contributory discretionary plan covering substantially all employees of Brown Distributing Company, LTD. (the "Company"). It is subject to the provisions of the Employee Retirement Income Security act of 1974 (ERISA).

2. Trust Fund Management. TD Ameritrade Trust Company (the "Trustee") serves as the trustee for the Plan during 2016 and 2015 and Retirement Horizons Inc. serves as the recordkeeper for the Plan. Under the terms of the agreement, the Trustee is responsible for the safekeeping of assets and the maintenance of records relating to receipts and disbursements. The Trustee and recordkeeper are parties-in-interest.

3. Eligibility. Employees are eligible to participate in the Plan if they have attained the age of eighteen and completed one month of credited service. Once an employee has satisfied the Plan's eligibility requirements, the employee will become a participant in the Plan on the first day of the subsequent month.

4. Contributions. Employer contributions are not required and are at the discretion of the employer. During 2016 and 2015 employer contributions have been made at 50% of the salary reduction contributions, limited to 6% of compensation per participant. Additional employer contributions may be made at the discretion of the Company's management. Participants direct the investment of their contributions into various investment options offered by the Plan.

5. Participant Accounts. Each participant's account is credited with the participant's contribution and allocations of (a) Employer contributions, and (b) Plan earnings. Allocations of earnings are based on account balances, as defined by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

6. Vesting. Participants are fully vested in their salary reduction contributions at all times. Vesting in the employer contributions is graded, with participants becoming 100% vested after six years of eligible service. A year of eligible service is defined as a Plan year in which the participant works at least 1,000 hours. Participants' vested percentages are based on their years of service. Regardless of years of service, however, an employee is 100% vested upon death, disability, or retirement date.

7. Payment of Benefits. Vested benefits are paid to participants upon death, disability, retirement, or termination of employment by either arranging for a rollover to another plan, lump sum payment, or installments. Hardship withdrawals are also permitted if certain criteria are met.

8. Forfeitures. Forfeitures by participants of non-vested Company contributions are used to reduce Plan administrative expenses or reduce employer contributions.

   During the years ended December 31, 2016 and 2015, respectively, $46,314 and $48,100 were forfeited by participants. During the years ended December 31, 2016 and 2015, $28,033 and $23,174 of forfeitures were used to pay administrative expenses, respectively. During the years ended December 31, 2016 and 2015, $14,927 and $27,022 was used to reduce employer matching contributions. At December 31, 2016 and 2015, unallocated forfeited non-vested accounts were $5,583 and $3,961, respectively.

9. Administrative Expenses. All reasonable expenses related to Plan administration may be paid from Plan assets, except to the extent the expenses are paid by the Company.

10. Participant Loans. Participants are permitted to borrow from their account as described in the Summary Plan Description. Participants may borrow the smaller of 50% of their vested account balance or $50,000. The minimum that can be borrowed is $1,000, and only one loan can be outstanding at a time. Repayment of the loan is required through payroll deduction within a general period of one to five years at an interest rate of prime plus one percent. A longer repayment schedule may be permitted for a loan used to buy a principal residence.

B. Summary of Significant Accounting Policies

1. Basis of Presentation. The accompanying financial statements have been prepared on the accrual basis of accounting and present the net assets available for plan benefits and changes in those net assets.

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

3. Risk and Uncertainties. The Plan provides for various investment options, as described in the supplemental schedule. These investments are exposed to various risks, such as interest rate, prepayment, and market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in value of investment securities, it is at least reasonably possible that changes in the near-term could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

4. Valuation of Investments. Quoted market prices are used to value investments where available. The market values of investments are based on closing market values provided by TD Ameritrade Trust Company (Trustee) as of December 31, 2016 and 2015.

5. Net Gain (Loss) from Mutual Funds. Unrealized appreciation (depreciation) and realized gains (losses) are recorded in the accompanying financial statements as Net gain (loss) from mutual funds.

6. Recognition of Benefits. Benefits are recorded when paid.

7. Notes Receivable from Participants. Loans to participants are reported at their unpaid principal balances plus any accrued but unpaid interest.

C. Investments

The Trustee holds the Plan's investments and executes investment transactions. The investments and earnings listed below have been certified 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. No auditing procedures were performed with respect to the information listed below except for comparing the information with the related information included in the financial statements and supplemental schedules.

The following presents investments at December 31, 2016 and 2015 as certified by the trustee and not audited by independent auditors. Investments that represent five percent or more of the Plan's net assets are designated with an asterisk:

		Current Market Value 2016		2015
DFA Emerging Markets I		-	$	884,105
DFA Emerging Markets Core Equity	$	1,018,086		-
DFA Interm Govt Fixed Income I	*	3,134,460	*	2,832,199
DFA Intl Small Cap Value I	*	1,417,256	*	1,249,469
DFA International Value III	*	1,495,716	*	1,315,661
DFA One Year Fixed Income I		33,693		112,844
DFA Real Estate Securities I	*	1,312,786	*	1,188,673
DFA Short-term Government I	*	3,460,417	*	3,133,683
DFA US Micro Cap I		-	*	1,349,647
DFA US Small Cap	*	1,557,534		-
DFA US Small Cap Value I		-	*	1,393,838
DFA US Targeted Value	*	1,609,606		-
DFA US Large Cap Value III	*	2,874,569	*	2,524,883
TD Bank USA Institutional, MM		192,881		223,076
TD Bank USA, MMDA		5,605		3,983
Vanguard 500 Index Admiral	*	3,776,965	*	3,309,254
Vanguard Growth Index Admiral		432,696		490,944
Vanguard Health Care Inv		426,958		418,366
Vanguard Inflation-Protected Securities		688,806		596,442
Vanguard Mid Cap Index Admiral		304,620		313,022
Vanguard Small Cap Growth Index Inv		-		237,701
Vanguard Small Cap Grouth Index Fund ADM		258,807		-
Total investments, as certified	$	24,001,461	$	21,577,790

During the years ended December 31, 2016 and 2015, under the caption Investment Income, the Plan earned $766,887 and $745,400, respectively, in interest, dividends, and capital gains which were reinvested. The net depreciation and appreciation in fair value of investment funds managed by the Trustee was $1,458,782 and $(955,398) for the years ended December 31, 2016 and 2015.

D. Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts and distributions will be made as soon as administratively practicable after the Plan terminates.

E. Tax Status

The Plan obtained its latest determination letter on March 31, 2014, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan was restated in 2016. However, the Plan sponsor believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. The federal Annual Return/Report of Employee Benefit Plan (Form 5500) for the Plan is subject to examination by the Internal Revenue Service (IRS), generally for three years after they were filed.

F. Withdrawing Participants

The amounts allocated to participants who requested distributions from the Plan prior to the Plan year-end but received those distributions after the Plan year-end are $0 for both of the Plan years ended December 31, 2016 and 2015.

G. Reconciliation of Financial Statements to Schedule H of From 5500

There were no differences in net assets available for benefits per the financial statements and Schedule H of Form 5500 as of December 31, 2016 and 2015.

There were no differences in the increase in net assets available for benefits per the financial statements and Schedule H of Form 5500 for the year ended December 31, 2016 and 2015.

H. Fair Value Measurements

ASC Statement No. 820, previously FASB Statement No. 157, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC Statement No. 820 are described as follows:

Level 1: Quoted prices are available in active markets for identical assets or liabilities;

Level 2: Quoted prices in active markets for similar assets and liabilities that are observable for the asset or liability; or

Level 3: Unobservable pricing inputs that are generally less observable from objective sources, such as discounted cash flow models or valuations.

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

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

Money Market: Valued at one dollar per share.

Mutual Funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

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

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016:

	Fair Value Measurements Using		
	Level 1	**Level 2**	**Level 3**
Money Market	$ 198,487	$ -	$ -
Mutual Funds	23,802,973	-	-
Total assets at fair value	$ 24,001,460	$ -	$ -

The following table sets forth, by level within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2015:

	Fair Value Measurements Using		
	Level 1	**Level 2**	**Level 3**
Money Market	$ 227,059	$ -	$ -
Mutual Funds	21,350,731	-	-
Total assets at fair value	$ 21,577,790	$ -	$ -

I. Subsequent Event

Subsequent events were evaluated through the date these financial statements became available which was October 3, 2017.

401(K) PLAN FOR
BROWN DISTRIBUTING COMPANY, LTD.

SUPPLEMENTAL SCHEDULE

401(K) PLAN FOR
BROWN DISTRIBUTING COMPANY, LTD.
EIN/PN: 74-2982920/001
ATTACHMENT TO FORM 5500 - SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS
(HELD AT END OF YEAR)
December 31, 2016

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
	DFA Emerging Markets Core Equity	Mutual funds,58,645 units	**	$ 1,018,086
	DFA Interm Govt Fixed Income I	Mutual funds, 254,214 units	**	3,134,460
	DFA Intl Small Cap Value I	Mutual funds, 74,514 units	**	1,417,256
	DFA International Value III	Mutual funds, 105,258 units	**	1,495,716
	DFA One Year Fixed Income I	Mutual funds, 3,274 units	**	33,693
	DFA Real Estate Securities I	Mutual funds, 38,041 units	**	1,312,786
	DFA Short-term Government I	Mutual funds, 326,763 units	**	3,460,417
	DFA US Small Cap	Mutual funds, 46,026 units	**	1,557,534
	DFA US Targeted Cap	Mutual funds, 67,039 units	**	1,609,606
	DFA US Large Cap Value III	Mutual funds, 116,568 units	**	2,874,569
*	TD Bank USA Institutional, MM	Money market, 192,881 units	**	192,881
*	TD Bank USA, MMDA	Money market, 5,605 units	**	5,605
	Vanguard 500 Index Admiral	Mutual funds, 18,284 units	**	3,776,965
	Vanguard Growth Index Admiral	Mutual funds, 7,550 units	**	432,696
	Vanguard Health Care Inv	Mutual funds, 2,311 units	**	426,958
	Vanguard Inflation-Protected Securities	Mutual funds, 53,067 units	**	688,806
	Vanguard Mid Cap Index Admiral	Mutual funds, 1,869 units	**	304,620
	Vanguard Small Cap Growth Fund ADM	Mutual funds, 5,531 units	**	258,807
*	Participant loans	Maturity is generally up to 5 years at 4.25% to 9.25% collateralized by individual participant accounts	-0-	530,639
				$ 24,532,100

* Party-in-interest
** Participant directed, cost not required

401(K) PLAN FOR
BROWN DISTRIBUTING COMPANY, LTD.
EIN/PN: 74-2982920/001
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(HELD AT END OF YEAR)
December 31, 2016

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* Party-in-interest
** Participant directed, cost not required

RETIREMENT HORIZONS INCORPORATED

Authorization To File The Plan's Form 5500 Electronically

401(k) Plan for Brown Distributing Company, LTD

Upon receipt of the signed Form 5500 and this signed authorization, permission is granted to Retirement Horizons Inc. (RHI) to electronically file the annual Form 5500 on behalf of the plan named above.

The plan sponsor authorizes RHI to utilize its PIN to file the 5500 or 5500-SF along with any applicable schedules for the plan.

The plan sponsor may revoke or change this authorization at any time via written notification to RHI.

Print Name: _____Gayle A Nixon_____

Signature: _____

Date: ____October 10, 2017_____

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
401(k) Plan for Brown Distributing Company, LTD

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1976

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

8711 Johnny Morris Road

Austin TX 78724-2006

2b Employer Identification Number (EIN) 74-2983920

2c Plan Sponsor's telephone number (512)478-9353

2d Business code (see instructions) 424800

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	Gayle A Nixon	10.10.17	Gayle A. Nixon
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Gayle A Nixon	10/10/17	Gayle A. Nixon
	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

401(K) PLAN FOR
BROWN DISTRIBUTING COMPANY, LTD.
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
for the years ended December 31, 2016 and 2015

	2016	2015
Additions (subtractions) to net assets attributed to:		
Contributions:		
Participant	$ 987,817	$ 1,009,145
Employer	394,130	385,522
Rollover	271	11,042
Total contributions	1,382,218	1,405,709
Appreciation (depreciation) of investments:		
Net gain (loss) from mutual funds	1,458,782	(955,398)
Investment income	766,887	745,400
Participant loan interest	26,644	28,933
Total appreciation (depreciation)	2,252,313	(181,065)
Total additions (subtractions)	3,634,531	1,224,644
Deductions from net assets attributed to:		
Benefits paid to participants	1,118,910	1,970,610
Administrative fees	89,408	83,276
Total deductions	1,208,318	2,053,886
Increase (decrease) in net assets available for plan benefits	2,426,213	(829,242)
Net assets available for benefits:		
Beginning balance	22,168,913	22,998,155
Ending balance	$ 24,595,126	$ 22,168,913

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

A. Description of Plan

The following is a brief description of the 401(k) Plan for Brown Distributing Company, LTD. (the "Plan"). It is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

1. General. The Plan is a contributory discretionary plan covering substantially all employees of Brown Distributing Company, LTD. (the "Company"). It is subject to the provisions of the Employee Retirement Income Security act of 1974 (ERISA).

2. Trust Fund Management. TD Ameritrade Trust Company (the "Trustee") serves as the trustee for the Plan during 2016 and 2015 and Retirement Horizons Inc. serves as the recordkeeper for the Plan. Under the terms of the agreement, the Trustee is responsible for the safekeeping of assets and the maintenance of records relating to receipts and disbursements. The Trustee and recordkeeper are parties-in-interest.

3. Eligibility. Employees are eligible to participate in the Plan if they have attained the age of eighteen and completed one month of credited service. Once an employee has satisfied the Plan's eligibility requirements, the employee will become a participant in the Plan on the first day of the subsequent month.

4. Contributions. Employer contributions are not required and are at the discretion of the employer. During 2016 and 2015 employer contributions have been made at 50% of the salary reduction contributions, limited to 6% of compensation per participant. Additional employer contributions may be made at the discretion of the Company's management. Participants direct the investment of their contributions into various investment options offered by the Plan.

5. Participant Accounts. Each participant's account is credited with the participant's contribution and allocations of (a) Employer contributions, and (b) Plan earnings. Allocations of earnings are based on account balances, as defined by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

6. Vesting. Participants are fully vested in their salary reduction contributions at all times. Vesting in the employer contributions is graded, with participants becoming 100% vested after six years of eligible service. A year of eligible service is defined as a Plan year in which the participant works at least 1,000 hours. Participants' vested percentages are based on their years of service. Regardless of years of service, however, an employee is 100% vested upon death, disability, or retirement date.

7. Payment of Benefits. Vested benefits are paid to participants upon death, disability, retirement, or termination of employment by either arranging for a rollover to another plan, lump sum payment, or installments. Hardship withdrawals are also permitted if certain criteria are met.

8. Forfeitures. Forfeitures by participants of non-vested Company contributions are used to reduce Plan administrative expenses or reduce employer contributions.

   During the years ended December 31, 2016 and 2015, respectively, $46,314 and $48,100 were forfeited by participants. During the years ended December 31, 2016 and 2015, $28,033 and $23,174 of forfeitures were used to pay administrative expenses, respectively. During the years ended December 31, 2016 and 2015, $14,927 and $27,022 was used to reduce employer matching contributions. At December 31, 2016 and 2015, unallocated forfeited non-vested accounts were $5,583 and $3,961, respectively.

9. Administrative Expenses. All reasonable expenses related to Plan administration may be paid from Plan assets, except to the extent the expenses are paid by the Company.

10. Participant Loans. Participants are permitted to borrow from their account as described in the Summary Plan Description. Participants may borrow the smaller of 50% of their vested account balance or $50,000. The minimum that can be borrowed is $1,000, and only one loan can be outstanding at a time. Repayment of the loan is required through payroll deduction within a general period of one to five years at an interest rate of prime plus one percent. A longer repayment schedule may be permitted for a loan used to buy a principal residence.

B. Summary of Significant Accounting Policies

1. Basis of Presentation. The accompanying financial statements have been prepared on the accrual basis of accounting and present the net assets available for plan benefits and changes in those net assets.

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

3. Risk and Uncertainties. The Plan provides for various investment options, as described in the supplemental schedule. These investments are exposed to various risks, such as interest rate, prepayment, and market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in value of investment securities, it is at least reasonably possible that changes in the near-term could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

4. Valuation of Investments. Quoted market prices are used to value investments where available. The market values of investments are based on closing market values provided by TD Ameritrade Trust Company (Trustee) as of December 31, 2016 and 2015.

5. Net Gain (Loss) from Mutual Funds. Unrealized appreciation (depreciation) and realized gains (losses) are recorded in the accompanying financial statements as Net gain (loss) from mutual funds.

6. Recognition of Benefits. Benefits are recorded when paid.

7. Notes Receivable from Participants. Loans to participants are reported at their unpaid principal balances plus any accrued but unpaid interest.

C. Investments

The Trustee holds the Plan's investments and executes investment transactions. The investments and earnings listed below have been certified 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. No auditing procedures were performed with respect to the information listed below except for comparing the information with the related information included in the financial statements and supplemental schedules.

The following presents investments at December 31, 2016 and 2015 as certified by the trustee and not audited by independent auditors. Investments that represent five percent or more of the Plan's net assets are designated with an asterisk:

		Current Market Value 2016		2015
DFA Emerging Markets I		-		$ 884,105
DFA Emerging Markets Core Equity		$ 1,018,086		-
DFA Interm Govt Fixed Income I	*	3,134,460	*	2,832,199
DFA Intl Small Cap Value I	*	1,417,256	*	1,249,469
DFA International Value III	*	1,495,716	*	1,315,661
DFA One Year Fixed Income I		33,693		112,844
DFA Real Estate Securities I	*	1,312,786	*	1,188,673
DFA Short-term Government I	*	3,460,417	*	3,133,683
DFA US Micro Cap I		-	*	1,349,647
DFA US Small Cap	*	1,557,534		-
DFA US Small Cap Value I		-	*	1,393,838
DFA US Targeted Value	*	1,609,606		-
DFA US Large Cap Value III	*	2,874,569	*	2,524,883
TD Bank USA Institutional, MM		192,881		223,076
TD Bank USA, MMDA		5,605		3,983
Vanguard 500 Index Admiral	*	3,776,965	*	3,309,254
Vanguard Growth Index Admiral		432,696		490,944
Vanguard Health Care Inv		426,958		418,366
Vanguard Inflation-Protected Securities		688,806		596,442
Vanguard Mid Cap Index Admiral		304,620		313,022
Vanguard Small Cap Growth Index Inv		-		237,701
Vanguard Small Cap Grouth Index Fund ADM		258,807		-
Total investments, as certified		$ 24,001,461		$ 21,577,790

During the years ended December 31, 2016 and 2015, under the caption Investment Income, the Plan earned $766,887 and $745,400, respectively, in interest, dividends, and capital gains which were reinvested. The net depreciation and appreciation in fair value of investment funds managed by the Trustee was $1,458,782 and $(955,398) for the years ended December 31, 2016 and 2015.

D. Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts and distributions will be made as soon as administratively practicable after the Plan terminates.

E. Tax Status

The Plan obtained its latest determination letter on March 31, 2014, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan was restated in 2016. However, the Plan sponsor believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. The federal Annual Return/Report of Employee Benefit Plan (Form 5500) for the Plan is subject to examination by the Internal Revenue Service (IRS), generally for three years after they were filed.

F. Withdrawing Participants

The amounts allocated to participants who requested distributions from the Plan prior to the Plan year-end but received those distributions after the Plan year-end are $0 for both of the Plan years ended December 31, 2016 and 2015.

G. Reconciliation of Financial Statements to Schedule H of From 5500

There were no differences in net assets available for benefits per the financial statements and Schedule H of Form 5500 as of December 31, 2016 and 2015.

There were no differences in the increase in net assets available for benefits per the financial statements and Schedule H of Form 5500 for the year ended December 31, 2016 and 2015.

H. Fair Value Measurements

ASC Statement No. 820, previously FASB Statement No. 157, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC Statement No. 820 are described as follows:

Level 1: Quoted prices are available in active markets for identical assets or liabilities;

Level 2: Quoted prices in active markets for similar assets and liabilities that are observable for the asset or liability; or

Level 3: Unobservable pricing inputs that are generally less observable from objective sources, such as discounted cash flow models or valuations.

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

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

Money Market: Valued at one dollar per share.

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BROWN DISTRIBUTING COMPANY, LTD.

SUPPLEMENTAL SCHEDULE

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BROWN DISTRIBUTING COMPANY, LTD.
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