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
POLUNSKY & BEITEL, P.C. 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1992

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)
POLUNSKY & BEITEL, P.C.

17806 I.H. 10 WEST
SUITE 450
SAN ANTONIO, TX 78257

2b Employer Identification Number (EIN) 74-1935175

2c Plan Sponsor's telephone number 210-349-4488

2d Business code (see instructions) 541110

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.	10/13/2017	JAY PATEL
	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**	178
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)**	147
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	189
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	31
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	220
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f	Total. Add lines **6d** and **6e**.	**6f**	220
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	102
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
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)		**9b** Plan benefit arrangement (check all that apply)	
(1)	[ ] Insurance	**(1)**	[ ] Insurance
(2)	[ ] Code section 412(e)(3) insurance contracts	**(2)**	[ ] Code section 412(e)(3) insurance contracts
(3)	[X] Trust	**(3)**	[X] Trust
(4)	[ ] General assets of the sponsor	**(4)**	[ ] General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [X] **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	**B** Three-digit plan number (PN) ▶	
POLUNSKY & BEITEL, P.C. 401(K) PLAN		001
C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number (EIN)	
POLUNSKY & BEITEL, P.C.	74-1935175	

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).. . . . . [X] 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

DELAWARE

23-2693133

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

INVESCO

58-2287224

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

DAVIS

52-1346931

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

DREYFUS

13-5673135

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

MAINSTAY

52-2206685

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

RS

94-3321067

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

AMERICAN FUNDS

95-1411037

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

OPPENHEIMER

13-2527171

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

MSIF U.S. REAL ESTATE PORTFOLIO A

36-3145972

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

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

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

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)

WELLS FARGO BANK, N.A.

94-1347393

(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 37 49 50 60 62 63 64	SERVICE PROVIDER	5243	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
(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:	**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 D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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.**

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
POLUNSKY & BEITEL, P.C. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
POLUNSKY & BEITEL, P.C.

D Employer Identification Number (EIN)
74-1935175

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: WELLS FARGO STABLE RETURN FUND N60

b Name of sponsor of entity listed in (a): WELLS FARGO BANK, N.A.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
52-2251407-001	C	394582

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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
POLUNSKY & BEITEL, P.C. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
POLUNSKY & BEITEL, P.C.

D Employer Identification Number (EIN)
74-1935175

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(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)	114188	93174
(9) Value of interest in common/collective trusts	1c(9)	1165956	394582
(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)	2522582	3022806
(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	3802726	3510562
	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	3802726	3510562

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)	0	
	(B) Participants	2a(1)(B)	334957	
	(C) Others (including rollovers)	2a(1)(C)	40418	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		375375
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)	4071	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		4071
	(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)	47198	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		47198
	(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)		248620
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		675264
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	946441	
(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)		946441
f Corrective distributions (see instructions)	2f		5555
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	15432	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		15432
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		967428
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-292164
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: REED J. SMILEY, CPA **(2)** EIN: 74-2500491

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		450000
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
POLUNSKY & BEITEL, P.C. 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
POLUNSKY & BEITEL, P.C.

D Employer Identification Number (EIN)
74-1935175

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): 41-6257133

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 _____/_____/_____.

POLUNSKY & BEITEL, P.C. 401(K) PLAN

FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE
DECEMBER 31, 2016 AND 2015

INDEX

INDEPENDENT AUDITOR'S REPORT	1
Statements of Net Assets Available For Benefits	3
Statement of Changes in Net Assets Available	4
Notes to the Financial Statements	5
Supplemental Information –	
Schedule H, Part 4(i) - Schedule of Assets Held for Investment Purposes	14

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TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
Polunsky & Beitel, P.C. 401(k) Plan
San Antonio, Texas

Report on the Financial Statements

I was engaged to audit the accompanying financial statements of Polunsky & Beitel, P.C. 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statement of changes in net assets available for benefits for the year ended December 31, 2016, 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

My 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, I am 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 (ERISA), the plan administrator instructed me not to perform, and I did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Wells Fargo Bank, the custodian of the Plan, except for comparing the information with the related information included in the financial statements. I have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment

transactions. The plan administrator has obtained a certification from the custodian as of and for the years ended December 31, 2016 and 2015, that the information provided to the plan administrator by the custodian is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental schedule of Schedule H, line 4i – Schedule of Assets Held for Investment Purposes at End of Year as of or for the year ended 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 is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis of Disclaimer of Opinion paragraph, I do not express an opinion on the supplemental schedule 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 custodian, have been audited by me in accordance with auditing standards generally accepted in the United States of America and, in my opinion, is 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.



San Antonio, Texas
October 11, 2017

POLUNSKY & BEITEL, P.C. 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2016 AND 2015

ASSETS	2016	2015
Investments, at Fair Value	$ 3,417,388	$ 3,688,537
Receivables:		
Notes Receivable from Participants	93,174	114,188
Total Receivables	93,174	114,188
Total Assets	3,510,562	3,802,725
LIABILITIES		
Refundable Excess Contributions	-	5,555
Total Liabilities	-	5,555
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	$ 3,510,562	$ 3,797,170

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

POLUNSKY & BEITEL, P.C. 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2016

ADDITIONS	
Additions To Net Assets Attributed To:	
Contributions:	
Employees	$ 334,957
Rollovers	40,418
Total Contributions	375,375
Interest - Participant Loans	4,071
Investment Income:	
Net Appreciation in Fair Value of Investments	248,621
Dividends and Interest	47,198
Total Investment Income	295,819
Total Additions	675,265
DEDUCTIONS	
Deductions From Net Assets Attributed To:	
Benefits Paid To Participants	(946,441)
Administrative Fees	(15,432)
Total Deductions	(961,873)
NET DECREASE IN PLAN ASSETS	(286,608)
NET ASSETS AVAILABLE FOR BENEFITS:	
BEGINNING OF YEAR	3,797,170
END OF YEAR	$ 3,510,562

POLUNSKY & BEITEL, P.C. 401(K) PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 1 - Description of the Plan

The following description of Polunsky & Beitel, P.C. 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provision.

General

The Plan is a defined contribution plan which covers substantially all employees of Polunsky & Beitel, P.C. (the "Company"). Employees become eligible to participate in the Plan if they are twenty-one years of age or older and after they have achieved 2 months of service. Participants may enter the Plan on the first day of the month coinciding with or the next following date eligibility has been met. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions

Each year, participants may elect to contribute 100% of their annual compensation as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. Each Plan year the Company may make discretionary matching contributions to be determined annually by the Company's Board of Directors. The Company did not elect to make a discretionary matching contribution to the Plan for the 2016 and 2015 plan years. Contributions are subject to certain limitations.

Participant Accounts

Each participant's account is credited with the participant's contributions and discretionary Company matching contributions, if any, as well as an allocation of net earnings based on participant's investments; and charged with an allocation of administrative expenses. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions, the related earnings, and rollovers participants make to their accounts. Vesting in discretionary matching contributions plus earnings is based on years of service. Participants are fully vested in discretionary matching contributions after three years of service.

Note 1 - Description of the Plan (continued)

Notes Receivable from Participants

The Plan allows participants to borrow up to maximum of $50,000 or 50% of their vested account balance, whichever is less. The loans are secured by the balance in the participant's account and bear interest at various rates, which are commensurate with local prevailing rates as determined by the custodian. Principal and interest are repaid through payroll deductions.

Payment of Benefits

Upon termination of service for any reason, a participant may elect to receive an amount equal to the value of the participant's vested balance in the form of a lump-sum distribution or installment payments. Participants become 100% vested in the event of death, disability, or retirement. Hardship withdrawals are also available subject to certain limitations. Benefits are recorded when paid.

Forfeited Accounts

At December 31, 2016 and 2015, forfeited non-vested accounts totaled $129 and $127. Although forfeitures of non-vested accounts may be used to reduce the Company's discretionary matching contribution, during 2016 and 2015, there were no discretionary employer contributions; therefore, no forfeitures were utilized for that purpose.

Expenses of the Plan

Expenses incurred in the administration of the Plan are paid by the Plan, unless otherwise paid by the Company. The Company paid certain other administrative expenses of the Plan, and the Plan is under no obligation to repay the Company for those amounts; therefore, no liability has been recorded. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

Investment Options

Upon enrollment in the Plan, participants may direct employee contributions in any of the designated investment options offered by the Plan. Participants should refer to the Plan document for a complete listing of investment options. Participants may change their investment options at their discretion in accordance with the Plan's provisions.

Note 2 - Significant Accounting Policies

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Basis of Accounting

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

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's 401(k) committee determines the Plan's valuation policies utilizing information provided by the investment advisors, custodians and insurance company. See Note 3 for discussion of fair value measurements.

The Plan has an indirect investment in a fully-benefit responsive common collective trust through the Wells Fargo Stable Value Return Fund. The investment is reported at fair value, which approximates contract value. The Wells Fargo Stable Return Fund invests in investment contracts and security-backed contracts. An investment contract is a contract issued by a financial institution to provide a stated rate of return to the buyer of the contract for a specified period of time. A security-backed contract has similar characteristics as a traditional investment contract and is comprised of two parts: the first part is a fixed-income security or portfolio of fixed-income securities; the second part is a contract value guarantee (wrapper) provided by a third party. Wrappers provide contract value payments for certain participant-initiated withdrawals and transfers, a floor crediting rate, and return of fully accrued contract value at maturity. There are no unfunded commitments or reserves as of December 31, 2016 and 2015.

Purchases and sales of securities are recorded on the trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Interest and dividend income earned from commingled funds are re-invested by the respective funds and are included in net appreciation of investments in the statement of changes in net assets available for benefits. Net appreciation and depreciation includes the plan's gains and losses on investments bought and sold as well as held during the year.

Note 2 - Significant Accounting Policies (continued)

Notes Receivable from Participants

Participant notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as December 31, 2016 or 2015. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability. The Plan distributed the 2015 excess contributions to the applicable participants in accordance with IRS regulations.

Note 3 – Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 – Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

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

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.

Note 3 – Fair Value Measurements (continued)

Mutual Funds: Valued at the daily closing price reported by the fund. Mutual funds held by the Plan are open-ended mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Common/Collective Trusts: The Plan holds shares in Common / Collective Trusts ("CCTs"). The CCTs represent investments with various investment managers. Units held in the CCTs are valued at the unit value as reported by the investment managers, with the exception of the CCTs holding fully benefit-responsive investment contracts. The fair value of such investment contracts held by the CCTs is determined using the market price of the underlying securities and the value of the investment contract, as determined by the trustee.

The following table sets forth by level, within the fair value hierarchy, the plan's assets at fair value as of December 31, 2016 and 2015:

	Assets at Fair Value as of December 31, 2016			
	(Level 1)	(Level 2)	(Level 3)	Total
Common/Collective Trusts	$ -	$ 394,582	$ -	$ 394,582
Mutual Funds	3,022,806	-	-	3,022,806
Total	$ 3,022,806	$ 394,582	$ -	$ 3,417,388

	Assets at Fair Value as of December 31, 2015			
	(Level 1)	(Level 2)	(Level 3)	Total
Common/Collective Trusts	$ -	$ 1,165,956	$ -	$ 1,165,956
Mutual Funds	2,522,581	-	-	2,522,581
Total	$ 2,522,581	$ 1,165,956	$ -	$ 3,688,537

Note 4 - Information Certified by Wells Fargo Bank

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the plan administrator instructed the plan's independent auditor not to perform any auditing procedures with respect to

Note 4 - Information Certified by Wells Fargo Bank (Continued)

the following information certified by Wells Fargo Bank, except for comparing such information certified by the custodian to information included in the Plan's financial statements and supplemental schedule. The total assets reported on the Plan's statements of net assets available for benefits were certified by Wells Fargo Bank as complete and accurate as of December 31, 2016 and 2015. Wells Fargo Bank also certified the completeness and accuracy of the investment income for the year ended December 31, 2016 and 2015 as follows:

	2016	2015
Dividends and Interest	$ 47,198	$ 30,108
Net Appreciation (Depreciation) In Value of Investments	248,621	(17,470)
	$ 295,819	$ 12,638

Note 5 - Stable Value Fund

The Plan offers, as an investment option, a benefit-responsive stable value fund with Wells Fargo Bank. Wells Fargo Bank maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The stable value fund issuer is contractually obligated to repay the principal and a specified interest rate guaranteed to the Plan. As described in Note 2, the stable value fund is fully benefit-responsive. The investment is reported at fair value, which approximates contract value. The Wells Fargo Stable Return Fund invests in investment contracts and security-backed contracts. An investment contract is a contract issued by a financial institution to provide a stated rate of return to the buyer of the contract for a specified period of time. A security-backed contract has similar characteristics as a traditional investment contract and is comprised of two parts: the first part is a fixed-income security or portfolio of fixed-income securities; the second part is a contract value guarantee (wrapper) provided by a third party. Wrappers provide contract value payments for certain participant-initiated withdrawals and transfers, a floor crediting rate, and return of fully accrued contract value at maturity.

The Plan's ability to receive amounts due is dependent on the issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events might limit the ability of the Plan to transact at contract value with the issuer: Such events include: (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another Plan); (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions; (3) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a

Note 5 - Stable Value Fund (continued)

significant withdrawal from the Plan; or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA.

Note 6 - Related Party Transaction

Plan investments are managed by Wells Fargo Bank. Wells Fargo Bank is the custodian and recordkeeper as defined by the Plan and, therefore, these investments qualify as party-in-interest transactions. Fees paid by the Plan for investment management and other services totaled $15,432 and $16,484 for the years ended December 31, 2016 and 2015.

Note 7 - Plan Termination

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

Note 8 - Tax Status

The Internal Revenue Service ("IRS") has determined and informed Wells Fargo Bank, the Plan prototype sponsor, by a letter dated March 31, 2014, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC. The Plan relies on Well Fargo's determination letter. The Plan is a prototype plan and an individual determination letter is not considered necessary. GAAP requires the Plan's management to evaluate tax positions taken by the Plan, and recognize a tax liability (or asset) if the Company has taken an uncertain position that more-likely-than-not would not be sustained upon examination by the Department of Labor or the IRS. The Plan administrator has analyzed tax positions taken by the Plan, and has concluded that as of December 31, 2016 and 2015, there were 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.

Note 9 - Risks and Uncertainties

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

Note 10 – Reconciliation of Financial Statements to Form 5500

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

	2016	2015
Net assets for benefits per financial statements	$ 3,510,562	$ 3,797,170
Refundable Excess Contributions - Current Year	-	5,555
Rounding	-	1
Net assets available for benefits per Form 5500, at fair value	$ 3,510,562	$ 3,802,726

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

	2016	2015
Increase (decrease) in net assets per financial statements	$ (286,608)	$ 73,754
Adjustments from contract value to fair value for fully benefit responsive stable value funds	-	(6,632)
Prior Year Accrued Excess Contributions	(5,555)	(6,588)
Current Year Accrued Excess Contributions	-	5,555
Accrued Unpaid Interest on Participant Loans	-	52
Rounding	(1)	1
Net income (loss) per Form 5500	$ (292,164)	$ 66,142

Note 11 – Subsequent Events

The Plan's management has evaluated events and transactions subsequent to December 31, 2016 for potential recognition or disclosure in the financial statements. The Plan did not have subsequent events that required recognition or disclosure in the financial statements for the year ended December 31, 2016. Subsequent events have been evaluated through the date the financial statements became available to be issued, October 11, 2017.

Note 12 – Reclassifications

Certain amounts in the financial statements for the year ended December 31, 2015 have been reclassified to conform to the presentation for the year ended December 31, 2016. These reclassifications had no effect on the change in Plan assets.

Note 13 – New Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-07, *Fair Value Measurement (Topic 820), Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent).* The ASU impacts reporting entities that measures an investment's fair value using the net asset value ("NAV") per share (or an equivalent) practical expedient, and eliminates the requirement to classify investments for which fair value is measured using the NAV per share practical expedient within the fair value hierarchy. In addition, the ASU removes the requirement to make certain disclosures for investments eligible to be assessed at fair value with the net asset value per share practical expedient. The new guidance is effective for reporting periods beginning after December 15, 2016.

SUPPLEMENTAL INFORMATION

Polunsky & Beitel, P.C. 401(k) Plan
EIN 74-1935175
Plan Number 001
Schedule H, Line 4i, Schedule of Assets Held For Investment Purposes 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
*	Wells Fargo	Stable Value Return N60 Fund, 8,051 Shares	**	394,582
	Davis	NY Venture A Fund, 13,789 Shares	**	420,861
*	Wells Fargo	Advantage Discovery Adm Fund, 8,808 Shares	**	270,955
	Dreyfus	Strategic Value A Fund, 11,599 Shares	**	449,370
	Morgan Stanley	Inst US Real Estate A Fund, 9,742 Shares	**	163,089
	Oppenheimer	Global A Fund, 2,187 Shares	**	163,471
*	Wells Fargo	Advantage Specialized Tech A Fund, 4,839 Shares	**	46,413
	Invesco	Equity and Income A Fund, 28,751 Shares	**	303,614
	Delaware	High-Yield Opportunities A Fund, 63,580 Shares	**	240,971
	RS Investors	Partners A Fund, 6,350 Shares	**	200,558
*	Wells Fargo	Advantage Dow Jones Target 2020 Fund, 9,096 Shares	**	133,991
*	Wells Fargo	Advantage Core Bond Adm Fund, 7,468 Shares	**	94,922
	Mainstay	Large Cap Growth Fund, 12,852 Shares	**	107,445
	Oppenheimer	Gold & Special Minerals A Fund, 5,237 Shares	**	75,944
	American Funds	EuroPacific Growth Fund, 1,764 Shares	**	78,060
*	Wells Fargo	Advantage Index Adm Fund, 1,121 Shares	**	69,671
*	Wells Fargo	Advantage Dow Jones Target 2040 Fund, 2,964 Shares	**	56,002

Polunsky & Beitel, P.C. 401(k) Plan
EIN 74-1935175
Plan Number 001
Schedule H, Line 4i, Schedule of Assets Held For Investment Purposes at End of Year
December 31, 2016

(Continued)

[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
*	Wells Fargo	Advantage Dow Jones Target 2010 Fund, 2,371 Shares	**	29,316
*	Wells Fargo	Advantage Dow Jones Target 2030 Fund, 3,090 Shares	**	50,434
*	Wells Fargo	Advantage Dow Jones Target 2050 Fund, 5,800 Shares	**	62,763
*	Wells Fargo	Advantage Dow Jones Target Today Fund, 466 Shares	**	4,956
				3,417,388
*	Participant Loans	Interest Rates - 4.25-4.50%		93,174
				$ 3,510,562

* Represents a party in interest
** Cost basis is not required since all investments are participant directed

POLUNSKY & BEITEL, P.C. 401(K) PLAN

FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE
DECEMBER 31, 2016 AND 2015

INDEX

INDEPENDENT AUDITOR'S REPORT	1
Statements of Net Assets Available For Benefits	3
Statement of Changes in Net Assets Available	4
Notes to the Financial Statements	5
Supplemental Information –	
Schedule H, Part 4(i) - Schedule of Assets Held for Investment Purposes	14

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TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
Polunsky & Beitel, P.C. 401(k) Plan
San Antonio, Texas

Report on the Financial Statements

I was engaged to audit the accompanying financial statements of Polunsky & Beitel, P.C. 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statement of changes in net assets available for benefits for the year ended December 31, 2016, 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

My 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, I am 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 (ERISA), the plan administrator instructed me not to perform, and I did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Wells Fargo Bank, the custodian of the Plan, except for comparing the information with the related information included in the financial statements. I have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment

transactions. The plan administrator has obtained a certification from the custodian as of and for the years ended December 31, 2016 and 2015, that the information provided to the plan administrator by the custodian is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental schedule of Schedule H, line 4i – Schedule of Assets Held for Investment Purposes at End of Year as of or for the year ended 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 is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis of Disclaimer of Opinion paragraph, I do not express an opinion on the supplemental schedule 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 custodian, have been audited by me in accordance with auditing standards generally accepted in the United States of America and, in my opinion, is 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.



San Antonio, Texas
October 11, 2017

POLUNSKY & BEITEL, P.C. 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2016 AND 2015

ASSETS	2016	2015
Investments, at Fair Value	$ 3,417,388	$ 3,688,537
Receivables:		
Notes Receivable from Participants	93,174	114,188
Total Receivables	93,174	114,188
Total Assets	3,510,562	3,802,725
LIABILITIES		
Refundable Excess Contributions	-	5,555
Total Liabilities	-	5,555
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	$ 3,510,562	$ 3,797,170

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

POLUNSKY & BEITEL, P.C. 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2016

ADDITIONS	
Additions To Net Assets Attributed To:	
Contributions:	
Employees	$ 334,957
Rollovers	40,418
Total Contributions	375,375
Interest - Participant Loans	4,071
Investment Income:	
Net Appreciation in Fair Value of Investments	248,621
Dividends and Interest	47,198
Total Investment Income	295,819
Total Additions	675,265
DEDUCTIONS	
Deductions From Net Assets Attributed To:	
Benefits Paid To Participants	(946,441)
Administrative Fees	(15,432)
Total Deductions	(961,873)
NET DECREASE IN PLAN ASSETS	(286,608)
NET ASSETS AVAILABLE FOR BENEFITS:	
BEGINNING OF YEAR	3,797,170
END OF YEAR	$ 3,510,562

POLUNSKY & BEITEL, P.C. 401(K) PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

Note 1 - Description of the Plan

The following description of Polunsky & Beitel, P.C. 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provision.

General

The Plan is a defined contribution plan which covers substantially all employees of Polunsky & Beitel, P.C. (the "Company"). Employees become eligible to participate in the Plan if they are twenty-one years of age or older and after they have achieved 2 months of service. Participants may enter the Plan on the first day of the month coinciding with or the next following date eligibility has been met. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions

Each year, participants may elect to contribute 100% of their annual compensation as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. Each Plan year the Company may make discretionary matching contributions to be determined annually by the Company's Board of Directors. The Company did not elect to make a discretionary matching contribution to the Plan for the 2016 and 2015 plan years. Contributions are subject to certain limitations.

Participant Accounts

Each participant's account is credited with the participant's contributions and discretionary Company matching contributions, if any, as well as an allocation of net earnings based on participant's investments; and charged with an allocation of administrative expenses. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions, the related earnings, and rollovers participants make to their accounts. Vesting in discretionary matching contributions plus earnings is based on years of service. Participants are fully vested in discretionary matching contributions after three years of service.

Note 1 - Description of the Plan (continued)

Notes Receivable from Participants

The Plan allows participants to borrow up to maximum of $50,000 or 50% of their vested account balance, whichever is less. The loans are secured by the balance in the participant's account and bear interest at various rates, which are commensurate with local prevailing rates as determined by the custodian. Principal and interest are repaid through payroll deductions.

Payment of Benefits

Upon termination of service for any reason, a participant may elect to receive an amount equal to the value of the participant's vested balance in the form of a lump-sum distribution or installment payments. Participants become 100% vested in the event of death, disability, or retirement. Hardship withdrawals are also available subject to certain limitations. Benefits are recorded when paid.

Forfeited Accounts

At December 31, 2016 and 2015, forfeited non-vested accounts totaled $129 and $127. Although forfeitures of non-vested accounts may be used to reduce the Company's discretionary matching contribution, during 2016 and 2015, there were no discretionary employer contributions; therefore, no forfeitures were utilized for that purpose.

Expenses of the Plan

Expenses incurred in the administration of the Plan are paid by the Plan, unless otherwise paid by the Company. The Company paid certain other administrative expenses of the Plan, and the Plan is under no obligation to repay the Company for those amounts; therefore, no liability has been recorded. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

Investment Options

Upon enrollment in the Plan, participants may direct employee contributions in any of the designated investment options offered by the Plan. Participants should refer to the Plan document for a complete listing of investment options. Participants may change their investment options at their discretion in accordance with the Plan's provisions.

Note 2 - Significant Accounting Policies

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Basis of Accounting

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

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's 401(k) committee determines the Plan's valuation policies utilizing information provided by the investment advisors, custodians and insurance company. See Note 3 for discussion of fair value measurements.

The Plan has an indirect investment in a fully-benefit responsive common collective trust through the Wells Fargo Stable Value Return Fund. The investment is reported at fair value, which approximates contract value. The Wells Fargo Stable Return Fund invests in investment contracts and security-backed contracts. An investment contract is a contract issued by a financial institution to provide a stated rate of return to the buyer of the contract for a specified period of time. A security-backed contract has similar characteristics as a traditional investment contract and is comprised of two parts: the first part is a fixed-income security or portfolio of fixed-income securities; the second part is a contract value guarantee (wrapper) provided by a third party. Wrappers provide contract value payments for certain participant-initiated withdrawals and transfers, a floor crediting rate, and return of fully accrued contract value at maturity. There are no unfunded commitments or reserves as of December 31, 2016 and 2015.

Purchases and sales of securities are recorded on the trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Interest and dividend income earned from commingled funds are re-invested by the respective funds and are included in net appreciation of investments in the statement of changes in net assets available for benefits. Net appreciation and depreciation includes the plan's gains and losses on investments bought and sold as well as held during the year.

Note 2 - Significant Accounting Policies (continued)

Notes Receivable from Participants

Participant notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as December 31, 2016 or 2015. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability. The Plan distributed the 2015 excess contributions to the applicable participants in accordance with IRS regulations.

Note 3 – Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 – Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

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

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.

Note 3 – Fair Value Measurements (continued)

Mutual Funds: Valued at the daily closing price reported by the fund. Mutual funds held by the Plan are open-ended mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Common/Collective Trusts: The Plan holds shares in Common / Collective Trusts ("CCTs"). The CCTs represent investments with various investment managers. Units held in the CCTs are valued at the unit value as reported by the investment managers, with the exception of the CCTs holding fully benefit-responsive investment contracts. The fair value of such investment contracts held by the CCTs is determined using the market price of the underlying securities and the value of the investment contract, as determined by the trustee.

The following table sets forth by level, within the fair value hierarchy, the plan's assets at fair value as of December 31, 2016 and 2015:

	Assets at Fair Value as of December 31, 2016			
	(Level 1)	(Level 2)	(Level 3)	Total
Common/Collective Trusts	$ -	$ 394,582	$ -	$ 394,582
Mutual Funds	3,022,806	-	-	3,022,806
Total	$ 3,022,806	$ 394,582	$ -	$ 3,417,388

	Assets at Fair Value as of December 31, 2015			
	(Level 1)	(Level 2)	(Level 3)	Total
Common/Collective Trusts	$ -	$ 1,165,956	$ -	$ 1,165,956
Mutual Funds	2,522,581	-	-	2,522,581
Total	$ 2,522,581	$ 1,165,956	$ -	$ 3,688,537

Note 4 - Information Certified by Wells Fargo Bank

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the plan administrator instructed the plan's independent auditor not to perform any auditing procedures with respect to

Note 4 - Information Certified by Wells Fargo Bank (Continued)

the following information certified by Wells Fargo Bank, except for comparing such information certified by the custodian to information included in the Plan's financial statements and supplemental schedule. The total assets reported on the Plan's statements of net assets available for benefits were certified by Wells Fargo Bank as complete and accurate as of December 31, 2016 and 2015. Wells Fargo Bank also certified the completeness and accuracy of the investment income for the year ended December 31, 2016 and 2015 as follows:

	2016	2015
Dividends and Interest	$ 47,198	$ 30,108
Net Appreciation (Depreciation) In Value of Investments	248,621	(17,470)
	$ 295,819	$ 12,638

Note 5 - Stable Value Fund

The Plan offers, as an investment option, a benefit-responsive stable value fund with Wells Fargo Bank. Wells Fargo Bank maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The stable value fund issuer is contractually obligated to repay the principal and a specified interest rate guaranteed to the Plan. As described in Note 2, the stable value fund is fully benefit-responsive. The investment is reported at fair value, which approximates contract value. The Wells Fargo Stable Return Fund invests in investment contracts and security-backed contracts. An investment contract is a contract issued by a financial institution to provide a stated rate of return to the buyer of the contract for a specified period of time. A security-backed contract has similar characteristics as a traditional investment contract and is comprised of two parts: the first part is a fixed-income security or portfolio of fixed-income securities; the second part is a contract value guarantee (wrapper) provided by a third party. Wrappers provide contract value payments for certain participant-initiated withdrawals and transfers, a floor crediting rate, and return of fully accrued contract value at maturity.

The Plan's ability to receive amounts due is dependent on the issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events might limit the ability of the Plan to transact at contract value with the issuer: Such events include: (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another Plan); (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions; (3) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a

Note 5 - Stable Value Fund (continued)

significant withdrawal from the Plan; or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA.

Note 6 - Related Party Transaction

Plan investments are managed by Wells Fargo Bank. Wells Fargo Bank is the custodian and recordkeeper as defined by the Plan and, therefore, these investments qualify as party-in-interest transactions. Fees paid by the Plan for investment management and other services totaled $15,432 and $16,484 for the years ended December 31, 2016 and 2015.

Note 7 - Plan Termination

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

Note 8 - Tax Status

The Internal Revenue Service ("IRS") has determined and informed Wells Fargo Bank, the Plan prototype sponsor, by a letter dated March 31, 2014, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC. The Plan relies on Well Fargo's determination letter. The Plan is a prototype plan and an individual determination letter is not considered necessary. GAAP requires the Plan's management to evaluate tax positions taken by the Plan, and recognize a tax liability (or asset) if the Company has taken an uncertain position that more-likely-than-not would not be sustained upon examination by the Department of Labor or the IRS. The Plan administrator has analyzed tax positions taken by the Plan, and has concluded that as of December 31, 2016 and 2015, there were 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.

Note 9 - Risks and Uncertainties

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

Note 10 – Reconciliation of Financial Statements to Form 5500

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

	2016	2015
Net assets for benefits per financial statements	$ 3,510,562	$ 3,797,170
Refundable Excess Contributions - Current Year	-	5,555
Rounding	-	1
Net assets available for benefits per Form 5500, at fair value	$ 3,510,562	$ 3,802,726

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

	2016	2015
Increase (decrease) in net assets per financial statements	$ (286,608)	$ 73,754
Adjustments from contract value to fair value for fully benefit responsive stable value funds	-	(6,632)
Prior Year Accrued Excess Contributions	(5,555)	(6,588)
Current Year Accrued Excess Contributions	-	5,555
Accrued Unpaid Interest on Participant Loans	-	52
Rounding	(1)	1
Net income (loss) per Form 5500	$ (292,164)	$ 66,142

Note 11 – Subsequent Events

The Plan's management has evaluated events and transactions subsequent to December 31, 2016 for potential recognition or disclosure in the financial statements. The Plan did not have subsequent events that required recognition or disclosure in the financial statements for the year ended December 31, 2016. Subsequent events have been evaluated through the date the financial statements became available to be issued, October 11, 2017.

Note 12 – Reclassifications

Certain amounts in the financial statements for the year ended December 31, 2015 have been reclassified to conform to the presentation for the year ended December 31, 2016. These reclassifications had no effect on the change in Plan assets.

Note 13 – New Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-07, *Fair Value Measurement (Topic 820), Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent).* The ASU impacts reporting entities that measures an investment's fair value using the net asset value ("NAV") per share (or an equivalent) practical expedient, and eliminates the requirement to classify investments for which fair value is measured using the NAV per share practical expedient within the fair value hierarchy. In addition, the ASU removes the requirement to make certain disclosures for investments eligible to be assessed at fair value with the net asset value per share practical expedient. The new guidance is effective for reporting periods beginning after December 15, 2016.

SUPPLEMENTAL INFORMATION

Polunsky & Beitel, P.C. 401(k) Plan
EIN 74-1935175
Plan Number 001
Schedule H, Line 4i, Schedule of Assets Held For Investment Purposes 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
*	Wells Fargo	Stable Value Return N60 Fund, 8,051 Shares	**	394,582
	Davis	NY Venture A Fund, 13,789 Shares	**	420,861
*	Wells Fargo	Advantage Discovery Adm Fund, 8,808 Shares	**	270,955
	Dreyfus	Strategic Value A Fund, 11,599 Shares	**	449,370
	Morgan Stanley	Inst US Real Estate A Fund, 9,742 Shares	**	163,089
	Oppenheimer	Global A Fund, 2,187 Shares	**	163,471
*	Wells Fargo	Advantage Specialized Tech A Fund, 4,839 Shares	**	46,413
	Invesco	Equity and Income A Fund, 28,751 Shares	**	303,614
	Delaware	High-Yield Opportunities A Fund, 63,580 Shares	**	240,971
	RS Investors	Partners A Fund, 6,350 Shares	**	200,558
*	Wells Fargo	Advantage Dow Jones Target 2020 Fund, 9,096 Shares	**	133,991
*	Wells Fargo	Advantage Core Bond Adm Fund, 7,468 Shares	**	94,922
	Mainstay	Large Cap Growth Fund, 12,852 Shares	**	107,445
	Oppenheimer	Gold & Special Minerals A Fund, 5,237 Shares	**	75,944
	American Funds	EuroPacific Growth Fund, 1,764 Shares	**	78,060
*	Wells Fargo	Advantage Index Adm Fund, 1,121 Shares	**	69,671
*	Wells Fargo	Advantage Dow Jones Target 2040 Fund, 2,964 Shares	**	56,002

Polunsky & Beitel, P.C. 401(k) Plan
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Schedule H, Line 4i, Schedule of Assets Held For Investment Purposes at End of Year
December 31, 2016

(Continued)

[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
*	Wells Fargo	Advantage Dow Jones Target 2010 Fund, 2,371 Shares	**	29,316
*	Wells Fargo	Advantage Dow Jones Target 2030 Fund, 3,090 Shares	**	50,434
*	Wells Fargo	Advantage Dow Jones Target 2050 Fund, 5,800 Shares	**	62,763
*	Wells Fargo	Advantage Dow Jones Target Today Fund, 466 Shares	**	4,956
				3,417,388
*	Participant Loans	Interest Rates - 4.25-4.50%		93,174
				$ 3,510,562

* Represents a party in interest
** Cost basis is not required since all investments are participant directed